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Official Report of Debates (Hansard)

Monday 18 December 1995

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Lundi 18 décembre 1995

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

Evidence subcommittee

Monday 18 December 1995

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Lundi 18 décembre 1995

The subcommittee met at 0904 in committee room 1.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Mr Bart Maves): Good morning, everyone. Welcome to the standing committee on general government hearings on Bill 26.

There are a few announcements to make before we get started. There will have to be an overflow room, if there's not enough seats in here, in committee room 2 next door. You can watch on the monitor.

Committee, before we go further, I think we should take a quick second to form a subcommittee for this group, if I could ask for a nomination from each party.

Mr John Gerretsen (Kingston and The Islands): Gerry Phillips.

The Chair: Mr Phillips. Mr Cooke is the only full-time member from the NDP. From the government party, a nomination for a member of the subcommittee?

Mr Rob Sampson (Mississauga West): Mr Tascona.

The Chair: Mr Sampson nominates Mr Tascona.

All those agreed to that subcommittee, raise your hands. Thank you.

SAVINGS AND RESTRUCTURING ACT, 1995

LOI DE 1995 SUR LES ÉCONOMIES ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficience du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

The Chair: We'll begin this morning with some comments from ministers. They have an hour with, of course, questions; then we will proceed to responses by the official opposition and by the third party. We have Minister Leach, Minister Johnson and Minister Hodgson with us this morning. Gentlemen, you may begin.

MANAGEMENT BOARD OF CABINET

Hon David Johnson (Chair of the Management Board of Cabinet): Start your engines? Mr Chair, I apologize. I have notes in front of me and there are copies coming. I don't think you have the copies at this instant, though. In the interest of time, do you wish me to begin or do you want to wait for a minute or two until the copies arrive?

Mr Gerry Phillips (Scarborough-Agincourt): I'd say begin.

Hon David Johnson: Go ahead? All right. They should be here in a moment, and I'm sure a lot of this you've heard, at any rate.

I'm going to be making some opening comments with regard to Bill 26, the Savings and Restructuring Act, which will implement measures to renew Ontario, restore prosperity and create jobs. Many of the measures have already been outlined by the Minister of Finance in the fiscal and economic statement last month.

Our first priority must be to get Ontario out from under the burden of rising interest costs. As we all know, the debt stands at almost $100 billion, and this fiscal year Ontario will pay nearly $9 billion in interest costs. That is more than double what it was only five years ago. Ontario spends approximately $1 million an hour more than it brings in.

In 1980, seven cents of every tax dollar went to pay for interest on the debt. Today, taxpayers pay almost 20 cents of every tax dollar just to service that debt. Without remedial action, the Ministry of Finance warns that this will rise to almost 40 cents of every dollar by the end of the century.

The increase in public debt interest costs of almost $1 billion this year alone is more than the province transfers to all community colleges in the province of Ontario.

We simply cannot continue this way.

Why are we doing this in one large bill? First, it is traditional for Finance ministers to wrap all fiscal statements or budget initiatives into a single bill. Second, as the name suggests, all components of the Savings and Restructuring Act share a common theme of helping the public sector deal with and achieve savings through restructuring and other new approaches.

The bill provides measures to streamline the provincial government and steps to reduce costs.

It gives municipalities the tools to allow them to restructure, eliminate duplication, increase efficiency and reduce costs.

It provides new mechanisms to facilitate hospital restructuring, to manage physician supply and distribution, and to reform the Ontario drug benefit program to make it more in line with similar programs elsewhere.

This bill will provide the flexibility to help the government and transfer partners restructure and streamline to provide better services for less. It will also implement measures to reduce regulations that obstruct investment and job creation, and to deal with public sector compensation.

The Ontario municipal support grants will allow existing grants to municipalities to be consolidated into block grants. These will give municipalities more flexibility to decide on their own priorities as they reduce costs.

Amendments to the Municipal Act and related legislation provide the tools for municipalities to restructure and eliminate duplication by allowing them to move services from one level of municipal government to another, and to share equipment among smaller municipalities. These measures will also allow municipalities to offer more services on a cost recovery basis.

Mr Chair, just to be of assistance, I'm towards the top of page 6 at this point, on the fourth line from the top of page 6.

The Interest Arbitration Amendment Act amends the Police Services Act, Fire Departments Act, Public Service Act, School Boards and Teachers Collective Negotiations Act and Hospital Labour Disputes Arbitration Act to allow arbitrators in those sectors to consider an employer's ability to pay as a criterion in deciding arbitration awards. These amendments will return economic sense to the arbitration process once the social contract expires and reduced transfer payments take effect.

An Act to provide Efficiency and Quality in Health Care has several components to meet the government's commitment to protect the health care system.

The health services restructuring initiative provides the tools to restructure the hospital sector so that it will be sustainable and affordable.

As part of the flexibility needed in the health care sector, the Independent Health Facilities Amendment Act will allow new types of high-quality and accessible health care facilities to be licensed under the act. This will also allow services now being provided under the act to be eliminated.

The Health Insurance and Health Care Accessibility Amendment Act is designed to improve access to medical services by ensuring that physicians are practising where they are needed. They will provide the authority to limit physicians' eligibility to receive fee-for-service payments depending on where in Ontario they practise and whether they are affiliated with hospitals. This will also ensure the government has the ability to recover overpayments.

0910

Amendments to the Ontario Drug Benefit Act and Prescription Drug Cost Regulation Act will protect the Ontario drug benefit program for the future. As every other province already does, Ontario will implement cost-sharing for Ontario drug benefit recipients. We will also reduce the Trillium drug program's deductible, which will allow more than 140,000 low-income people to receive coverage. The amendments will also restrict Ontario drug benefit billing access to pharmacists and dispensing physicians suspected of or charged with fraudulent billing.

Other measures in this bill will reduce the regulatory burden on people and business, and at the same time reduce the government's costs.

Amendments to the Public Lands Act, the Forest Fires Prevention Act and the Lakes and Rivers Improvement Act will remove the requirement for mandatory permits for such activities as open burning, dams, access roads, docks and boathouses. This will be replaced by regulation-making powers for permits for certain activities, reducing the province's costs of issuing permits and saving about $3 million over two years.

Amendments to the Mining Act will require mining companies to self-regulate the closing of mines, replacing procedures that are onerous for mining companies and staff-intensive for the Ministry of Northern Development and Mines. Shifting responsibility to the mining companies will allow the government to reduce staff and save money. Mining companies will have more capital for investment.

Parts of this omnibus bill will deal with aspects of public sector compensation. The Pay Equity Amendment Act, 1995, will put pay equity for public sector employers more in line with those in the private sector and return pay equity to its original principles.

To make the public sector more open and accountable to taxpayers, the Public Sector Salary Disclosure Act, 1995, announced in November, will require organizations that receive public funding to disclose annually the names, positions, salaries and benefits of employees paid $100,000 or more a year.

Amendments to the Pension Benefits Act will exempt the government from the act's provisions which, in the event of the layoff of a substantial number of employees, could require a partial windup of the OPSEU pension plan. This could have cost the government hundreds of millions of dollars. The windup provision is intended to protect plan members whose benefits would be threatened through the significant downsizing of the operations of a plan sponsor. Since there is no threat to the integrity of the government's plan, these costs would have been totally unnecessary.

Other parts of the omnibus bill will help to ensure the efficiency and viability of several programs.

The tolling legislation authorizes the Ontario Transportation Capital Corp to collect and enforce tolls on tolled highways. This will allow the corporation to collect tolls from users of Highway 407, which is expected to pay for itself.

Amendments to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act will discourage nuisance requests by imposing application and appeal fees. The amendments will also save money by streamlining and reducing the costs of complying with the acts.

Amendments to the Conservation Authorities Act will reduce the province's role in Ontario's conservation authorities to flood control and protecting significant lands. It will also make it easier for the conservation authorities to merge and voluntarily dissolve. This initiative will save the province $24 million over two years.

An amendment to the Ministry of Correctional Services Act will reduce the quorum for the board of parole from three to two members, saving $300,000 a year.

Amendments to the Game and Fish Act will allow all revenues received under the act and certain other revenues to be directed towards resources management and conservation. A fish and wildlife advisory board will be established to advise on using these funds.

The omnibus bill also comprises some tax measures from the former government's budgets for which they neglected to introduce legislation.

This includes amendments to the Corporations Tax Act which were announced in budgets by the previous government and which taxpayers have acted on for two and a half years, assuming they would become law. It also includes amendments to the Income Tax Act, which parallel federal legislation relating to mining reclamation trusts which were proposed by the former government in its 1994 budget.

Bill 26 also includes the Ontario Loan Act, routine legislation allowing the government to borrow money.

As the Minister of Finance said on November 29, our government is committed to creating an Ontario of opportunity rather than dependence, where genuine need is met with compassion and support and where government is a partner in change rather than an obstacle. These measures in the Savings and Restructuring Act, 1995, are a big step towards achieving that goal.

Thank you, Mr Chairman. I think the Minister of Municipal Affairs is scheduled next.

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

Hon Al Leach (Minister of Municipal Affairs and Housing): Good morning, ladies and gentlemen, and thank you for this opportunity to open public hearings on the municipal section of Bill 26, the Savings and Restructuring Act.

On November 29, the Minister of Finance announced reductions to provincial transfer payments. These reductions were an important part of this government's strategy for getting the deficit under control—and for restoring prosperity to Ontario. The people of Ontario elected this government to reduce spending and bring back fiscal responsibility. Bill 26 is proof we are taking action.

The job of this committee is an important one—listening to what the people of this province have to say. It's not going to be an easy job. You'll be working night and day for the next few weeks, and I'd like to thank you at the outset for being part of these important proceedings.

This government is committed to the democratic process. I want to assure you that this is not a paper exercise. If changes are needed to Bill 26, they will be made. We're anxious to learn what people think of it, to see if there are improvements to be made. We want to make sure we get it right. We want this legislation to work. That's what's important in the end.

We had to make some difficult decisions about reducing provincial subsidies, decisions that had far-reaching implications for the municipal sector. But in making these decisions, we also wanted to provide municipalities with the means to cope. The legislative changes we are making will do this. They will give municipalities the flexibility to carry out business without necessarily resorting to property tax increases.

0920

Taxpayers have made it clear that they want less government, more cost-effective government, more efficient government. On the same day the transfer payment reductions were announced, we introduced Bill 26. Bill 26 provides municipalities with a package of tools to raise revenues and cut costs. These tools will help municipalities be more efficient, more streamlined and more cost-effective. They will also allow municipalities to generate revenue in different ways.

The legislation you will be reviewing in hearings across the province responds to municipalities' desire to manage more of their own costs and expenditures. They want to be able to make choices in what services they provide and they want to be able to deliver services efficiently. Municipalities have been asking for this autonomy for years, asking us to stop treating them like children of the province and to recognize that they can and should make more decisions locally.

Bill 26 gives municipalities the autonomy to make choices—choices that will suit local needs and offer the best solutions to local problems. This is where the bulk of local decisions should be made—in the municipalities affected by them, by the people who know local needs and who can respond to local taxpayers.

Speaking of Bill 26, Mayor Hazel McCallion of Mississauga has said, "I endorse the philosophy 100%. This...bill will give us the autonomy we need and the flexibility we need."

In recent days you might have heard criticism that we've gone too far, that we've given municipalities too much leeway. I personally don't agree. We've given them what they need to help them adjust to lower funding levels. And on that note, I'd like to speak in some detail about the legislation and tools of Bill 26.

First, let's look at restructuring. The structure of municipalities in Ontario today has an origin which dates back to the 1840s. While some municipalities have reformed in the context of regional governments, the structures of others are badly outdated and inefficient. Some of these municipalities might want to look at restructuring as a means of managing with less money. They can do this in two ways: by streamlining their operations or by realigning jurisdictions.

Bill 26 will make it easier for municipalities to restructure. It will enable local decision-making, it will encourage streamlining, and in terms of boundaries, once the local authorities have made a decision and met the prescribed criteria, the Ministry of Municipal Affairs will have to implement their local decisions.

By prescribed criteria, I mean they will have to be endorsed by a majority of municipalities representing a majority of the electorate in that area. When this happens, there will be no appeal to the province and no long-drawn-out process to bring a bill through the Legislature. As a result of this, provincial legislation won't be needed to change boundaries in counties or in the north.

This is a much more efficient process than we have now. The current process stifles local solutions and, unless there is 100% consent by the affected municipalities, requires a lengthy legislative process to make any local restructuring decisions. That is hardly local decision-making and it's certainly not getting the province out of the municipalities' business.

With Bill 26, whenever a decision-making process stalls locally and a decision can't be reached or whenever it's obvious that restructuring would benefit municipalities refusing to take action, it will be possible to appoint a restructuring commission. This commission will have the power to develop and implement its own restructuring proposal.

In order to ensure that restructuring is locally driven, I intend to introduce an amendment providing that a commission will only be appointed by the province when it's requested, either by at least one of the affected municipalities or by a petition from residents.

Municipalities have asked for this assistance, and I am confident that it will yield positive change. We've already received requests from municipalities that want to restructure. In Rainy River three municipalities with a combined population of 438 have already resolved to look into amalgamation. This is an example of how eager some municipalities are to restructure, and the residents will only benefit by the more efficient service delivery that will result.

I am also pleased to announce that last week I met with regional chairs and representatives of the Association of Municipalities of Ontario. At that time AMO president, Terry Mundell, raised concerns of his members regarding the personal liability of municipal councillors who contravene a minister's regulation during a restructuring. We have consulted with others and we're going to review this section.

This is another example of this government's willingness to listen and to make amendments to ensure that Bill 26 is the best that it can be.

Mr David S. Cooke (Windsor-Riverside): Lucky we didn't pass the bill last week.

Hon Mr Leach: We never intended to. I think that we were going to come with 340 hours' worth of hearings.

Another tool that will help municipalities manage costs is a new funding scheme called the municipal support program. This program will lump funds from the municipal roads grant, the northern community transportation assistance grant and the unconditional grant into one block fund. There will be no conditions attached to this new funding program, giving municipalities more freedom to decide how they want to spend their money.

Without conditions on grants, municipalities can stop sending the province mountains of information on how they now spend their money. Instead, Bill 26 will ask municipalities to be more accountable to the people who really need to know: the residents. It requires that municipalities publish information for ratepayers on the financial performance of their municipality, information that is easily understood, information that the ratepayers can use to compare municipal performance.

The bill also includes a number of new tools to help municipalities streamline their operations. These tools will help them reduce costs and raise new revenue. As I said before, municipalities have been asking for these changes for years. We believe they are long overdue.

At present the Municipal Act outlines the distribution of municipal responsibilities between upper and lower tiers. In order to transfer responsibilities from local municipalities to a county or regional government or to reassign a responsibility from an upper tier to one or more local municipalities, legislation must be changed. This takes a lot of time and it costs a lot of money.

Let me give you an example. York region is considering moving responsibility for fire services up to the regional level. Right now it is being provided individually by each of the region's nine municipalities. York feels that by moving fire services to the region it will be easier to coordinate them with related services such as policing and emergency services. The problem, of course, is that such a move would take an amendment to the regional act under the current legislation. We propose to change that.

Under the bill responsibilities for services such as this can be transferred on agreement from one level of local government to another. It will let municipalities implement a decision they've taken locally rather than having to ask the province to put their local decision in place.

For example, in many areas of the province, townships, counties and the province all share responsibility for road maintenance and snow removal. That's three levels of government looking after roads in the same area. You can imagine the duplication in staff, equipment, repairs and salt domes.

Here is another example. The county of Prescott-Russell and the town of Hawkesbury have a combined population of only 70,000 but each has its own economic development department.

These are not isolated examples. Duplication and inefficiencies also exist in services such as waste management. In Huron county, for example, there are 17 different waste management systems and no county coordination. This simply cannot continue.

0930

Bill 26 will allow municipalities to move services between levels of municipal government in a two-tier system. This will allow for redistribution based on efficiency, effectiveness and cost savings.

Municipalities have also been asking government to relax the rules on establishing public-private partnerships for many years. Under the current legislation, municipalities are able to create partnerships with the private sector for public utilities only after putting the question to a vote.

This of course requires that they wait for the next municipal election or that they go through the expense of putting it on the ballot and holding a referendum. The proposed legislation will eliminate this requirement.

The large number of special-purpose bodies ties the hands of municipalities and prevents them from managing their budgets efficiently. Taxpayers support the budget of

special-purpose bodies, but in many cases they have no say in who is appointed to the board and have no say in the decisions they make.

Bill 26 will enable municipalities to dissolve or make changes to most local special-purpose bodies. Furthermore, it would allow them to integrate the functions of these bodies into the municipal structure.

Some examples of special-purpose bodies that could be dissolved or changed by municipalities are licensing commissions, parking authorities or transit commissions. A full list will be identified in the regulations. I should mention that boards of education and police services boards will not be under the control of municipalities.

Regulations will also allow municipalities to downsize through early retirement. They will be able to extend early retirement on an unreduced pension until the year 2000.

Licensing is another area where the current legislation is outdated. The current law has no flexibility. There are about 60 businesses and trades included in the act, and for each it spells out exactly what a municipality can license and what it can charge for the fee. This keeps municipalities from responding quickly to new types of businesses that emerge.

The new legislation will let municipalities license most retail businesses or trades and set appropriate fees. Manufacturers and wholesalers will be exempt because their field of activity usually extends far beyond the boundaries of a municipality where they operate.

Second, the fees set in the act are frozen in time. Gasoline stations, for example, can get a licence from a municipality for only $10 a year, and so can food retailers. A bakery licence is fixed at $1 a year.

The current legislation also lets municipalities charge fees only for certain services, such as water and sewer, transit and garbage collection. The municipal sector feels these limitations are too restrictive and has asked for increased authority to charge for the services it provides.

The proposed legislation will remove restrictions and give municipalities general authority to levy user fees and charges for services or activities they provide, or for the use of municipal property.

Just to give you an idea of possible fees and charges, I know some municipalities are considering charging for accident investigations, out-calls for fire departments, responses to false emergency alarms and the rental of municipal rights of way.

I have every reason to believe municipalities will be fair and reasonable in the fees they charge. If they aren't, however, or if fees become unreasonable, the province does have the authority to overrule a municipality's inappropriate action through regulation.

Municipalities' increased authority should also be explained in terms of direct and indirect charges. Because municipalities are created by the province, they can have no powers greater than the province. Accordingly, since the province has no authority to levy indirect taxes, charges or fees, the municipalities are limited to direct charges.

This is made clear in the bill by the phrase "charges 'in the nature of a direct tax.'" That phrase does not mean that any direct tax can be charged. All it makes explicit is that any charge that is levied may not be indirect.

This provision is complex. It's written by lawyers in legalese for legal reasons. I am advised that the specific reason is to protect the legislation itself from being challenged should a municipality ever attempt to implement a charge that was like an indirect tax.

It has been said that this wording opens the door to all other types of direct taxes, such as income tax, sales tax and gasoline tax. Indeed, some have looked up the definition of "direct tax" in a prominent law text and said that settled the matter.

The issue is not the definition of "direct tax." I do not dispute what that legal framing means. The issue is what the phrase "charges 'in the nature of a direct tax'" means in the context of this bill. That is something that Peter Hogg never wrote about and is something that Peter Russell was never asked about.

As I have already said, the legal purpose and meaning of the expression "direct tax" in that section is simply to make explicit that the charge cannot be in the nature of an indirect tax.

As I've said, this is a complicated matter, and it requires the kind of answer that is rather long for question period, for example, or a media scrum, so let me be very clear: The act permits municipalities to levy fees and charges for services. It does not permit municipalities to charge sales taxes. It does not permit them to charge an income tax. It does not permit them to charge a gasoline sales tax.

That is our policy. That is what the bill says. My friends in opposition understand this very well and I hope they will stop using this complicated legal document as an opportunity for scare tactics.

This section dealing with municipal fees and charges is a totally new approach because it empowers municipalities to respond to their local needs. Under the old legislation, unless a specific fee or charge was listed, it could not be charged. This one-size-fits-all solution created real problems, because the act has to cover every municipality from the city of Toronto to Dysart township in Haliburton.

Obviously, what is appropriate in one might not work for the other. They have different needs and opportunities. So we're giving them the flexibility to deal with local conditions.

Now, this general power is very broad. But we are confident that municipal governments will use it responsibly for legitimate charges for services provided. Our government would not support municipalities moving to a flat tax payable for all municipal services, for example.

Fortunately, municipalities don't support this either. As Terry Mundell, president of AMO, said last week, a council that implemented a poll tax would find itself out of work after the next election. I agree.

As you know, Ontarians will not be without remedies if a municipality ever did implement such a tax. Under the bill, the Minister of Municipal Affairs and Housing has the power to disallow any fee or charge by regula-

tion. So let me be clear: If any municipal government does implement a poll or head tax, this government will pass a regulation against it. But as I've said, I don't think that will be necessary.

I was encouraged to hear that Mayor Mel Lastman plans to seek corporate donors to sponsor such activities as library use, ice skating and swimming in public pools for underprivileged children. He said, "Where people are having a problem and they are down and out, there is no way we are going to charge them." Statements like this convince me that our trust is not misplaced.

Ladies and gentlemen, municipalities understand the seriousness of the province's debt problem. They are ready to work with us to be part of the solution. But they need the tools proposed in Bill 26 to get on with their business and begin managing with less provincial grant money. This is why we remain committed to the passage of the bill by the end of January.

We're asking you to help our municipal partners. We're asking you to conduct your hearings in a very tight time frame. I want to thank you again for your commitment to this process. I'm confident that you will be thorough in your work and I look forward to your work in January.

The Chair: Thank you, Minister Leach. I guess Mr Hodgson will finish up. Whatever time is left will be allotted to each party equally to ask questions.

0940

MINISTRY OF NATURAL RESOURCES
MINISTRY OF NORTHERN DEVELOPMENT AND MINES

Hon Chris Hodgson (Minister of Natural Resources, Northern Development and Mines): Thank you very much, Mr Chair. I'm pleased to have the opportunity to speak to sections of Bill 26. I'm joined in the gallery, so to speak, by the Deputy Minister of Natural Resources, Ron Vrancart, and the assistant deputy minister from the mines and minerals division, John Gammon.

I believe everyone has a copy of the text of my brief remarks, so I will continue.

I'd like to reiterate that major change is required from all levels of government. We must refocus government's role in society, decide what the priorities are and do them well. This government has had to make tough decisions in light of the fiscal reality that we've inherited.

Bill 26 is an integral part of our plan. If we are to restructure government to meet our fiscal objectives, we need the flexibility, tools and empowerment that Bill 26 represents.

Bill 26 has four specific sections that deal with the ministries that I have the honour of being minister for: Northern Development and Mines, and Natural Resources. In the Ministry of Northern Development and Mines, one section of Bill 26 involves changes to the Mining Act. In the Ministry of Natural Resources, we have made changes to the Conservation Authorities Act, to three acts dealing with regulatory permitting and to the Game and Fish Act. I would like to speak about these changes in some detail.

Under the MNR, we have introduced changes to the Conservation Authorities Act. Provincial funding to conservation authorities has been reduced. It presently is $34 million annually, next fiscal year it will be $17 million and from then on it will be $10 million. This measure reflects the widespread consultation conducted primarily by my parliamentary assistant, Frank Klees.

The Ministry of Natural Resources will focus on two programs deemed to be in the provincial interest. One is flood control structures, which 50 years ago conservation authorities were established to deliver. This program costs approximately $8 million annually and will be matched with a levy formula with municipalities.

The other program is the maintenance of provincially significant conservation land. The province will continue to fund $2 million each years. Programs deemed to be of local interest will be funded locally.

I want to be clear that this change is not downloading. Downloading is when the province mandates a program but does not attach funding to provide for it to be delivered. This change represents downsizing.

Conservation authorities will no longer have to seek provincial approval for land dispositions where there is no provincial grant involved. There is also an amendment to allow for amalgamations or dissolutions of conservation authorities based on the formulas that they were incorporated under.

The second issue that I would like to address is the proposed changes to the crown land permits. The affect legislation includes the Public Lands Act, the Forest Fires Prevention Act and the Lakes and Rivers Improvement Act.

Currently, the Ministry of Natural Resources issues approximately 55,000 permits annually. The proposed changes will allow for regulations to be developed avoiding unnecessary permitting that takes place across the province. This will allow two things: (1) It will save the government approximately $3 million per year; and (2) it will allow for a reduction in red tape.

We believe it is achievable to get the number of permits issued down to 7,000 to 8,000 annually. Over the next few months, we will be studying how we can meet strict environmental and sustainability standards without issuing permits for every action.

The third issue under the MNR I would like to address is the fulfilment of another campaign promise. Under the proposed amendments to the Game and Fish Act, hunting and fishing licence revenues, fines and royalties will be retained in a special account and dedicated to conservation of those resources. This fund will be accountable to the people of Ontario through the Minister of Natural Resources tabling the annual report in the Legislature.

The Premier announced this commitment in January 1995, in A Voice for the North. Hunters and anglers have been asking for this measure since the Liberal government introduced resident fishing licences in 1987. This is essential for the sustained management of our natural resources over the long term. Over the next few months, I will be consulting with MPPs, stakeholders and the public on how best to administer this fund.

The next portion of Bill 26 concerns the Ministry of Northern Development and Mines and the proposed

changes to the Mining Act. These amendments are the result of our consultation with northern communities and the miners and prospectors who work there.

The measures outlined in this change are consistent with the government's commitment to cut down administrative costs of doing business in Ontario. This amendment will save the taxpayers approximately $1.3 million per year, but more importantly, these amendments will accomplish several goals.

The first goal is that we will replace the present closure plan review process with a self-regulatory system. Companies will be required to prepare closure plans in accordance with strict provincial standards and certified by a professional engineer and designated financial officer from the company.

Second, we will increase the financial assurance options to companies. Financially secure mining companies may be self-assured under proposed amendments.

Third, and most important, we will maintain high environmental standards. The focus will be on the polluter-pay principle.

Fourth, we will clarify the liability for pre-existing abandoned mine hazards.

Fifth, we will address the public health and safety concerns associated with abandoned mines and existing mine hazards. The changes will allow the province to respond more quickly to mine emergencies. Amendments will also allow immediate access to privately held lands to respond to emergencies.

Sixth, we will clarify the post-decommissioning environmental liability. Currently, there is no provision for a mining company to be discharged from future obligations after a mine site is decommissioned.

In total, the proposed changes build on a positive amendment made to the Mining Act in 1991. They make it easier to do business in Ontario while maintaining our high environmental standards.

In summation, I think the message is clear. Your government is doing what it said it would do: There are clear distinctions between provincial and local priorities; we are cutting red tape and reducing the regulatory burden on taxpayers and companies that are trying to build a better province; we are fulfilling the Premier's commitment to a dedicated fish and wildlife revenue fund; and the amendments to the Mining Act will reduce the cost of doing business in Ontario while maintaining strict environmental standards.

Thank you for your attention this morning. I look forward to hearing the results of your committee, including possible improvements to the portions dealing with the Ministry of Natural Resources and the Ministry of Northern Development and Mines components of Bill 26.

The Chair: Thank you, ministers. There are 12 minutes left, if you'd like to make some further comments.

Hon Mr Johnson: I have a few very brief comments with regard to Management Board items pertaining to the Freedom of Information and Protection of Privacy Act and the partial windup of the pension plan.

I'll cut it short. I think you all have a copy of this brief. Looking at the first page, flipping to the second paragraph, I would like to focus on those components which are the responsibility of the Management Board Secretariat: amendments to the Ontario Public Service Employees' Union Pension Act and the Public Service Pension Act, and amendments to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act.

It is critical for the government to focus its spending on the services that the public values the most. The amendments proposed to the OPSEU Pension Act and the Public Service Pension Act will save the government substantial costs that could have been generated by a partial windup order to the OPSEU pension plan and the public service pension plan. Let me stress that the proposed amendments in no way alter the government's responsibility to honour its pension obligations.

At the same time, however, they do avoid a cost of hundreds of millions of dollars by ensuring that these pension plans are not subject to the windup rules in the Pension Benefits Act. The partial windup rules prevent an employer that is going out of business from terminating its pension plan in stages and not fulfilling funding commitments to its pension plan. Clearly, this is not a scenario that is likely within the provincial government.

Again let me stress that exemption from the windup rules will have no impact on the current benefits in the OPSEU pension plan or the public service pension plan.

At a time when we are bringing our financial house in order, it would be inappropriate not to look at all ways of reducing costs, including those that could be incurred at a future date. The government's pension plans already have large unfunded liabilities that the government has committed to pay off over a 40-year period. The additional financial burden imposed by a partial plan windup would create more unfunded liabilities in the plans. We just cannot afford those kinds of costs any more.

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Similarly, we are seeking amendments to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act. The proposed action would make it possible to implement certain recommendations of the standing committee on the Legislative Assembly and requests by municipalities.

The current freedom of information and privacy legislation does not allow an institution to charge an application fee or an appeal fee and limits what fees can be charged to the requester. Once passed, the amendment will make it possible for provincial and municipal governments to reduce costs and increase efficiency by expanding the ability of ministries and local government to charge additional fees for freedom of information requests. Why should the taxpayers of this province bear a greater amount of the costs than the people and organizations who make the requests?

The proposed amendments will create a regulation-making authority to set an application fee for freedom of information requests and a fee for appeals to the Information and Privacy Commissioner. The amendments also

expand the government's ability to pass regulations regarding the charging of other fees and to differentiate fees on the basis of categories of person; for example, smaller or no fees for access by individuals to their personal information.

We will give organizations covered by the acts more flexibility by permitting them to refuse to reply to frivolous or vexatious requests on the day they get the request. This amendment is in keeping with the recommendations of the standing committee on the Legislative Assembly's review of the freedom of information and privacy legislation. This right will be subject to an appeal to the Information and Privacy Commission, who will be able to make a binding decision on whether the request is in fact frivolous.

Lastly, other amendments will make the process less costly by clarifying administrative procedures.

These two components of Bill 26 are among the tools to assist us in meeting our financial targets.

The Chair: Thank you, ministers. The normal format for the hearings will be a half-hour from a presenter; if there's a 15-minute presentation, the remaining 15 minutes would be divided five minutes per party; each party would be allowed to ask questions or respond for five minutes and they would divide that among their own caucus as they see fit.

In this portion of our program, we've agreed to have an hour's worth of comments from the ministers and then proceed to a half-hour of response and questioning from, first, the official opposition, followed by a half-hour of response and questioning from members of the third party. I'd like to begin that now, and I would like to ask all members, throughout these committee hearings, to cooperate with a sense of decorum appropriate for these meetings.

We'll start off with questioning and response from members of the official opposition.

Mr Phillips: I'd like to raise some questions with the Minister of Municipal Affairs. I'd just say at the outset that as to your comment about fees and getting service clubs to raise them—this isn't a question, just a comment—personally, the idea of young people wanting to use libraries and having to get service clubs to sponsor them I find objectionable. If you call that scare tactics—

Hon Mr Leach: Then you should talk to Mel Lastman about it. It was his comment, not mine.

Mr Phillips: But I gather that you're very supportive of that.

On questions now, here's how I interpret your intent on the fees and charges thing. I gather you intend to give the municipalities virtually unlimited flexibility to essentially override any existing legislation on fees; you intend to give them very significant discretionary power on fees; I gather you anticipate literally hundreds of millions of dollars of new fees; and I gather that the intent of this legislation is that municipalities can do it with a bylaw; you're taking out any appeal to the OMB for residents who may feel these charges are unfair; and that you expect these fees to begin very quickly. Have I got the intent of what you're trying to do here?

Hon Mr Leach: What we're doing is giving the municipalities the autonomy to do that. The city of Toronto, for example, has indicated that it doesn't intend to impose any fees. It'll be their decision.

Mr Phillips: But I've captured it right: unlimited flexibility? Is that right?

Hon Mr Leach: Unlimited flexibility. Fees of the nature that we're anticipating are not appealable to the OMB at the present time. You can't appeal a TTC increase, for example.

Mr Phillips: I gather that you've acknowledged that it is possible, under this wording, to impose a head tax. Even though you say a municipality won't do it, it is possible to impose a head tax under this wording.

Hon Mr Leach: It's not impossible.

Mr Phillips: It is possible, then.

Hon Mr Leach: We asked legislative counsel what we could put in to ensure that didn't happen. There are things that exist now that someone could stretch and say it's a poll tax. An individual entry fee into a recreational facility: Somebody could stretch the definition of poll tax and say that's a poll tax. My advice is that that's why the legislation is worded in the way it is. It's legalese, but I'm advised that's the type of wording that has to be there to protect the legislation.

Mr Phillips: But you do permit a head tax.

I think every municipality will have this page before them and say, "Where can we find some new sources of revenue?" It says, "For services or activities provided or done on behalf of." Every municipality maintains its roads: plows the roads, refinishes the roads, does the curbs and gutters. That's a service provided and done on behalf of the people using the roads. Can you tell me where in this document it would prohibit putting a tax on cars in the municipality, per car, or even putting an extra sales tax on gasoline?

Hon Mr Leach: The legislation doesn't give the municipalities the tools to do that. The legislation doesn't allow a municipality, for example, to say, "I am going to charge a penny gas tax and you, gasoline retailer, must collect that for me." It doesn't have the authority to do that.

Mr Phillips: Presumably it does, though, that they could put a tax on a car.

Hon Mr Leach: I'm advised they can't.

Mr Phillips: And the legal advice you've gotten is that the wording here does not need amending, is that right?

Hon Mr Leach: Yes, that's my advice. That's the advice I've been given by our counsel.

Mr Phillips: So we shouldn't anticipate any amendments, and you're convinced this would not permit a municipality to say, "Because our roads are expensive, we're going to put a $50-a-year tax on cars in the municipalities in our area."

Hon Mr Leach: I'm advised that can't happen.

Mr Phillips: You have a written legal opinion on that? That would be helpful for the committee. You'd be

prepared to share that with the committee and table it with the committee? We'd appreciate that.

Hon Mr Leach: Yes.

Mr Phillips: Tell us again where it says they couldn't do that in the bill.

Hon Mr Leach: I'm advised that the wording that says this legislation only allows fees and charges to be applied to "services provided by or on behalf of a municipality" covers that.

Mr Phillips: But you wouldn't think that plowing a road is an activity or service?

Hon Mr Leach: Yes.

Mr Phillips: You wouldn't think that is, or it is?

Hon Mr Leach: Oh, I think it could. Let's use plowing of a road, for example. This will probably put the fear of God into staff—

Mr Phillips: You're not going to use scare tactics.

Hon Mr Leach: Only on you, Gerry.

Mr Phillips: Try it.

Hon Mr Leach: I could see, for example, if a municipality in cottage country had a small road that wasn't normally open during the wintertime and the cottagers wanted to open it, that they would charge a fee to plow that road in the winter as a special fee. That's the type of thing that I would see.

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Mr Phillips: Okay, so there's unlimited flexibility here.

Hon Mr Leach: As much as they can, knowing that they'll act responsibly and also knowing that if they don't act responsibly, there are methods within the legislation to limit their ability, if need be.

Mr Phillips: So tell me where the sales tax is prohibited here, if you would, please.

Hon Mr Leach: The same process. They don't have the tools to do that.

Mr Bob Rae (York South): They can't afford people to collect it. That's what you're saying.

Hon Mr Leach: Yes. They just don't have the tools to do it.

Mr Phillips: I was actually a little curious when you said you planned to resign if you had to amend this. Why would you plan to resign if you had to amend this?

Hon Mr Leach: I think I said if—sales tax, gas tax or personal income tax are not allowed in this legislation.

Mr Phillips: Just because you were embarrassed about it?

Hon Mr Leach: I beg your pardon?

Mr Phillips: Because you would be embarrassed that you hadn't—

Hon Mr Leach: Because it was certainly our intent that they never be in the legislation. It wasn't our intent and it's not there, so there's no problem.

Mr Phillips: I was just curious why you would want to resign as a result of that.

Hon Mr Leach: I said if they were in there—

Mr Cooke: Don't argue with him. Show your conviction.

Hon Mr Leach: I have the spirit of my convictions. If I tell you it's not in there, it's not in there.

Mr Phillips: Okay. I just want to go on to another section as well. I gather that in the courage of your convictions you put in this section, and this is on page 136, subsection (13), the contravention. I want to understand this section. It's that if a municipality that's being taken over by another municipality were to, for example, maybe take the salaries of the police organization or the fire organization up prior to being amalgamated, every member of the council who voted in favour of that would be personally liable for the increase in those salaries.

I think you started off here saying you had a lot of confidence in municipal government. You had faith that they would make the right decision, and I tend to agree. I tend to think that municipalities do tend to make the right decision. This is quite a threatening paragraph. It essentially says to municipalities—and many of them will be taken over without their agreement; they'll just be taken over. But any of those municipalities being taken over, you're saying to those council members: "You are going to be personally liable if, for example, you take the salaries of someone up prior to amalgamation. If you give the fire department a salary increase, you are going to be personally liable. The municipality that takes you over could sue you or any taxpayer could sue you." That's a huge threat, I find. Why would you have put that in there?

Hon Mr Leach: What you wanted to be sure of is that a municipality that was being amalgamated into another one just didn't get up and sell all the township equipment to—

Mr Phillips: What about salaries?

Hon Mr Leach: Again, with salaries, if they walked in and tripled the salaries of everybody in their township, then I think you would want the wherewithal to make sure that they don't do that. I think, though, if you recall, I said in my opening remarks that we're prepared to consider changing this.

Mr Phillips: Why did you put it in there if you now think it's a bad idea?

Hon Mr Leach: No, I don't think it's a bad idea. I think you should ensure that municipalities are aware that they can't go out and dispose of all of their assets for $1, for example, just because they're being amalgamated, and if they do take irrational actions, improper actions, they should be held responsible for those actions.

Mr Phillips: Is that sort of a principle that you'd like to follow that you would put in other legislation that you're going to—

Hon Mr Leach: You mean that people should be responsible for their actions?

Mr Phillips: Personally liable, yes.

Hon Mr Leach: Yes, I think people should be responsible for their actions.

Mr Phillips: Why in this bill then would you be passing a bunch of amendments where the public cannot hold cabinet ministers accountable any longer?

Hon Mr Leach: I'm sorry? I missed that.

Mr Phillips: Why would you be passing in this bill a whole bunch of amendments that say the public can no longer sue cabinet ministers?

Hon Mr Leach: I don't think that you can sue cabinet ministers for anything they do in the House, can you? I don't know.

Mr Phillips: Throughout this bill there are many examples where you are—for example, the Minister of Health is—

Hon Mr Leach: Give me a specific.

Mr Phillips: I will in a few minutes, but I just assure you that throughout the bill—and in your briefing notes you've said that it is your intention to exempt cabinet ministers from lawsuits in a whole bunch of areas. Why would you go one way there, and then in the municipalities tell them they're going to be personally liable?

Hon Mr Leach: For a certain action.

Mr Phillips: You don't have any recourse other than to hold them personally liable. Do you find that a fairly strong threat?

Hon Mr Leach: Yes. I think that's why we said we're prepared to talk about that.

Mr Phillips: So you're going to change that?

Hon Mr Leach: We're going to talk about it. That's what I hope the deliberations of this fine committee will achieve. If there is need to change or amend sections in this act that the committee deem appropriate, then they should. That's what you're here for.

Mr Phillips: So we've got two amendments now. The way I understand your plan-

Hon Mr Leach: You ever put through a piece of legislation without an amendment, Gerry?

Mr Phillips: Pardon me?

Hon Mr Leach: Did you ever put through a piece of legislation without amendments?

Mr Phillips: No, but actually I've never seen a piece of legislation like this trying to be rammed through in three weeks. I've never seen it; and I've never seen the public being told, "You have about one week to let your views be known." I've never seen that.

Hon Mr Leach: Of course, we've never had a $100-billion debt either.

Mr Phillips: That's true, but that does not give you the right to step and tramp on people's rights, and I would say that as far as I'm concerned, you're stepping on people's rights in this bill without allowing them due process.

But I want to pursue the way you're planning to amalgamate municipalities. Let's just take—and I may not have the right municipalities here, but Windsor decides it wants to amalgamate La Salle. Mr Cooke can help me out here.

Mr Cooke: That's fine. It's not my riding.

Mr Phillips: Anyway, I gather from what you're saying that if Windsor wants to amalgamate La Salle, even though La Salle is 100% against it, as long as there's a majority of the ratepayers voting in favour of it in Windsor—is that how the process works, that even if the people in La Salle do not want to be amalgamated, the surrounding municipalities can amalgamate them, and there's no appeal?

Hon Mr Leach: In that instance, you would have to have the municipality and the county both approve.

Mr Phillips: But La Salle could be 100% against it, I gather. Is that correct?

Mr Doug Barnes: La Salle could be against it. If the city and all of the rest of the county are in favour, then you'd have a case, but the provision would work. You have to have a majority of the municipalities involved, and in Essex county there's more than just La Salle.

Mr Phillips: But if La Salle were—

The Chair: Excuse me, Mr Phillips, sorry, for one second interrupting—

Mr Barnes: I'm Doug Barnes, the director of the local government policy branch in the Ministry of Municipal Affairs and Housing.

The Chair: Thank you.

Mr Phillips: Just so I'm clear on this, La Salle then gets amalgamated. It's 100% against it, but it gets amalgamated. There's no appeal, I gather. They cannot appeal to anyone, and if any of the council members decide, for example—I don't know if they've got a reserve fund to build a sewage treatment plant. If they were to build a sewage treatment plant, they could be held personally liable for that decision. Is that the kind of local municipal control you're thinking of here?

Hon Mr Leach: After the decision was made for amalgamation, if they took actions that were not appropriate. That was the intention of the act.

Mr Phillips: I have the amalgamation process right. La Salle could be 100% against it—

Hon Mr Leach: If all of the other municipalities in the county were in favour of it.

Mr Phillips: Yes. Just in terms of where their voice could be heard, what appeal mechanism do they have?

Hon Mr Leach: If everyone also is in favour of it, then the decision would be implemented. I mean, they do have a voice. They can take part in all of the discussions, all of the debate. They're on county council, so they have a forum to produce their views.

Mr Phillips: Yes. But in the end, if they're against it, "Tough luck, you're amalgamated."

Hon Mr Leach: That's right.

Mr Phillips: And you cannot say to the provincial Legislature or the OMB—there is no appeal.

Hon Mr Leach: That's right.

Mr Phillips: Is there a reason why they would not have any appeal?

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Hon Mr Leach: If the majority of the municipalities and the majority of the electorate in that area feel that's an appropriate decision, we think that's a decision that should be made locally and they should work that out among themselves.

Mr Phillips: I realize it doesn't apply in Metro right now because you've excluded it, but if this were Metro,

East York could be absorbed if Toronto and Scarborough said, "This is a good idea."

Hon Mr Leach: Yes, but the regions aren't—

Mr Phillips: And they'd have no appeal.

Hon Mr Leach: That's right.

Mr Phillips: That's useful.

Mr Gerretsen: I just want to follow up on that, and it's unfortunate that we don't have here your written material like we had with the other two ministers, because I'm very interested in what you say.

Hon Mr Leach: It will be here shortly.

Mr Gerretsen: Unfortunately, you'll be gone then and I don't want to misquote you at all.

First of all, I think the fact that you said right at the outset that you believe in this public process, that it will allow a lot of groups to appear in front of us—that's quite a bit different from the attitude the government originally took that it had to be passed by December 14. We're now on the 18th. It wouldn't have had any public input at all.

Just to follow up on that last question though, I understood you to say that if no consensus is found, then in effect, as long as it's requested by one municipality, you can set up a commission. Is that correct or not?

Hon Mr Leach: I may, yes.

Mr Gerretsen: In other words, all of Essex county wouldn't have to agree. As long as Windsor wants it and all the other parts don't want it, you've got the right to set up a commission.

Hon Mr Leach: To study it, yes.

Mr Gerretsen: No, wait a minute now. You've got the right also in the commission to give it powers for it to make a final decision without any appeal to you or to cabinet. Is that not correct?

Hon Mr Leach: First of all, we determine what the terms of reference would be for the commission and those terms of reference can be different, depending on the circumstances that are facing the municipalities in question. If they've sorted out all of their differences on an amalgamation except for one small issue, then you could appoint a commission or a commissioner to meet with the municipalities and resolve that one issue.

Mr Gerretsen: But the purpose of this commission is to come to a final resolution with respect to restructuring.

Hon Mr Leach: Yes.

Mr Gerretsen: And if one municipality of, let's say, 10 wants it, you've got the power under this act to in effect set up a commission. Is that not correct?

Hon Mr Leach: Yes. To set up a commission, it must be locally driven. It must be initiated by either a municipality or by a group of citizens by petition.

Mr Gerretsen: I realize that. But one municipality, as long as it wants it, can ask you to set up a commission.

Hon Mr Leach: Yes, just one to ask, to request. That doesn't mean that you always accede to their request.

Mr Gerretsen: I realize that. The other point that you've made throughout the last two or three months in the House is that you don't want municipalities to raise taxes. As a matter of fact, there's a very eloquent statement of that in the financial statement. Correct?

Hon Mr Leach: We're hoping that they will find it not necessary to raise taxes. Any number of them in this area have already announced that they don't believe it's necessary.

Mr Gerretsen: Well, it goes further than that. The economic statement says, "Municipalities can adjust to these reductions by restructuring their operations and without increasing local taxes." That's what the economic statement said. That's what Mr Eves said that day in the House.

You've just stated that one of the reasons why you're giving these great powers over fees etc is—and I think I'm quoting correctly; I don't have the text, but I think I am—so they can raise revenues. Do I take it then that you see the raising of revenues through fees etc as sort of the area where municipalities will make up the difference between what they're currently getting from the province and the $700 million less that they're getting two years from now? That will be raised through fees.

Hon Mr Leach: We want to give the municipalities the autonomy to explore any means available to them to raise revenues through fees or charges. There's nothing to stop it. We can't stop a municipality from raising property taxes. We're encouraged that the majority that we have heard from have indicated they don't believe it will be necessary. We just want to ensure that they have all of the tools available to them.

Mr Gerretsen: You keep talking about all of the tools, but you also stated at the end of your presentation that by regulation you, in effect, can disallow any fee that you don't like. You'll rule it out. Those are your quotes. You also said that any unfair fees, whatever the heck that means, will be ousted as well.

You're not really giving them anything here, are you? You're only giving them those things that you want to give them, and if in your opinion they go a little too far, they can just be ousted. They can just be done away with by way of regulation.

Hon Mr Leach: There's a clause in there that allows us to make a regulation that would prohibit a poll tax, for example.

Mr Gerretsen: Poll tax we've heard you about, but also you said "any unfair fees" and I'm quoting you here, and any fee you don't like, you'll rule out.

Hon Mr Leach: Yes. If somebody wanted to charge $10,000 a second for the use of a rink, I think that would be unreasonable and I'd pass a regulation to prohibit that.

Mr Gerretsen: Okay, so much for giving municipalities the complete autonomy to run their own show.

Hon Mr Leach: Yes.

Mr Gerretsen: They can only run their own show if you agree with what they're doing.

Hon Mr Leach: Yes. We don't intend to interfere in the directions they take as long as they're reasonable.

Mr Gerretsen: Okay. So really nothing has changed over the last 20 years.

Hon Mr Leach: I think that's a whole lot better than listing a whole lot of issues and having a document that's

about a foot and a half thick saying: "You can do this; you can't do this. You can do this; you can't do that." Give them the flexibility; we'll deal with the exception.

Mr Gerretsen: Just a minute now, Mr Minister.

Hon Mr Leach: We'll deal with the exception.

Mr Gerretsen: The ultimate club that you have over municipalities now is that you can unilaterally decide that you think a particular fee is unfair or it goes too far and that's just the end of it. You'll impose a regulation. I think municipalities will probably want to have a more specific list as to what they can do rather than having this broad power that can be taken away from them at any time if you don't like it.

Hon Mr Leach: Do you think it's reasonable to have a licence fee set in legislation? Do you think it's reasonable to say to a municipality, "You can charge a dollar for a bakery licence, and if you ever want to change that to $1.01 bring it back."

Mr Gerretsen: We are not talking about a dollar here.

Hon Mr Leach: That's what it says in the legislation.

Mr Gerretsen: I agree with you on that one.

Hon Mr Leach: "By the way, if you want to change that to be $1.01 bring it back and we'll take it through the Legislature." That makes a lot of sense, doesn't it?

Mr Gerretsen: No, no, it doesn't make any sense, and we're not talking about $1 or $2 here.

Hon Mr Leach: What are you talking about? That's what's there. That's a possibility just as much as some of the outlandish things that you're proposing.

Mr Gerretsen: We're talking, Mr Minister, about the municipalities' ability to raise the extra $700 million they will need because your government's going to cut them off from that in the next couple of years, and the only way you seem to have allowed for that, since you don't want them to raise taxes, is so that they can impose fees in certain areas. And yet if they do and it goes beyond what you, in your unfettered discretion, decide is unfair, you'll cut them off as well. I don't know where that leaves us, but it doesn't leave them with too much autonomy, in my opinion.

Hon Mr Leach: I think it leaves them with all the autonomy they need to get the job done. They can do a lot of things by streamlining and productivity improvement, which most of them are doing. Many of them are looking at ways of restructuring their organizations now. The city of Toronto, for example, is restructuring its executive group, I think from 13 down to four. It's that type of procedure that we're encouraging the municipalities to take, and most of them are quite prepared to do that. Most of them have said: "This is long overdue. We want to work with you." And they are. "Just give us the tools to allow us to do the job," and that's what we're doing.

Mr Gerretsen: Give them the tools as long as you agree. I'm just curious, on a very small little matter, having been a mayor for eight years and a police commissioner, head of a police commission, for eight years as well, I'm just curious, why are police service boards not under municipal control? Why is that one of the ones you specifically want to exclude as one of the special purpose bodies they can't get rid of, or bring completely within municipal control? Could you give us a reason for that?

Hon Mr Leach: The Solicitor General is undertaking a review of the role of police services boards, so we didn't want to interfere with that.

Mr Gerretsen: So nothing has changed in that.

Hon Mr Leach: Not at this time.

Mr Phillips: Just before my colleague speaks to that, just for the record, I mentioned before that I find it offensive you wanting to hold councillors personally liable. That's the ultimate threat to say, "I'll take you to court and sue you to bankruptcy." At the same time, and this is just but one example on page 57 in the bill, it's called immunity, "no proceeding shall be commenced against the...minister in respect of a decision, revocation, termination...an order or any action by the minister." This bill is filled with the ministers giving themselves immunity and holding—

Hon Mr Leach: I don't understand the relevance of that at all. We're talking—

Mr Phillips: It's pretty relevant if you're going to hold municipal councillors—

Hon Mr Leach: —about a case where a municipal council deliberately goes out and takes an action that is not in the best interests of a municipality after the restructuring process has been initiated.

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Mr Phillips: I don't think you know the bill. It doesn't say "deliberate," it just says—

Hon Mr Leach: After a restructuring has taken place, after the decision has been made—

Mr Phillips: It doesn't say "after." I don't think you've read the bill.

Hon Mr Leach: It does.

Mr Bruce Crozier (Essex South): Good morning, Minister. I want to go to the section of the bill that talks about the financial reporting that a municipality has to make, I guess, at year's end. I hope you would agree that most municipalities—in fact, you've said that most municipalities act in a very responsible fashion. But I wonder if you might tell me why this particular section is put in the act that requires municipal councils to report their financial performance for ratepayers.

Hon Mr Leach: Yes, we think that right now the financial statements that are produced by a municipality at the year-end are pretty difficult for the average resident to comprehend. What we would like to see is have municipalities produce performance measures so you can tell how your municipality is doing vis-à-vis others. For example, what does it cost per mile of road maintenance, or what does it cost per ton of garbage delivered in this municipality vis-à-vis another one; something that you can see and evaluate the financial performance of your municipality.

Mr Crozier: Has the form of that reporting been developed?

Hon Mr Leach: No, not as yet. We're working with the municipalities in developing that. Again, that is a request that has been brought to us. The information that we're providing now, while it's good for the clerks and finance people, doesn't tell the residents of a community very much.

Mr Crozier: You've been working with municipalities, or will be, you say. Did they request that this be put in there.

Hon Mr Leach: Yes, we have been talking—

Mr Crozier: Municipalities requested this?

Hon Mr Leach: We have been talking with AMO about it and it's quite prepared to—

Mr Gerretsen: I don't think they requested it.

Mr Crozier: I'd like to take it to a different tack. It does say, though, that a municipality shall provide the minister with information. I doesn't say anything about the ratepayers.

Hon Mr Leach: I think it does.

Mr Rae: The minister has the power.

Mr Crozier: The minister has the power. But the point I'm getting at—

Hon Mr Leach: We're requiring it to be published.

Mr Crozier: Perhaps I should get more directly to the point. Could this information be used to compare one municipality to another, and if one were not very efficient, that the ministry would come in and say, "Pull up your socks or we're going to do something about it"?

Hon Mr Leach: No, I think the voters in that municipality would be asking that question.

Mr Crozier: No, that's not my question, Minister. I think they do that every three years without the information that you're saying they have to have, because the mill rate is really what they go on. My question again: Would you then be able to come in, if some municipality is not comparing to your par, and do something about it?

Hon Mr Leach: What it's there for is that we want that municipality, for example, to be aware that it may be doing something that's causing their costs to be higher than others for a purpose they haven't realized. By providing information to compare municipalities to each other, they will have an opportunity to ask the question of themselves, "Why does it cost us X to carry out this service when it only costs so-and-so Y?"

Mr Crozier: Minister, if I may say so, having been a past councillor and a past mayor, you do that anyway, because if it comes to—

Hon Mr Leach: Right now I—

Mr Crozier: Excuse me; if it comes to the point of wanting to be competitive in the way of development, you obviously want to have services that are comparable to or even less than the neighbouring municipality.

Hon Mr Leach: I'm advised that those performance measures are not there at the present time yet; that there isn't the ability for municipalities to do that.

Mr Crozier: There's two things I'm concerned with in this case, Minister. One is the extra cost that will be involved in preparing these forms. And for a government that wants less red tape, less regulation, less cost, as I say, being a past municipal elected official, my first feeling is that it certainly will add to the administrative costs to the municipality, because accountants don't work for nothing and I suggest there'll be some form that it'll have to comply to, to be meaningful at all.

Secondly, my concern is that the ministry will then be able to come in and make comparisons between municipalities. Those who are less efficient in one way or another with the tone of this bill—will be able to penalize them ie, through amalgamation.

Hon Mr Leach: It's just the opposite, because right now they have to send in mountains of information to the various ministries in the provincial government every time they spend anything. By going to the block grant, for example, it will no longer be necessary to provide us with the mountains of paper they give us now. Instead of providing all of that information to us, we would like to see them develop performance measurements that would be of more benefit to them, more benefit to the citizens, more benefit to the province. Quite frankly, we think it'll be less cost, not more cost.

Mr Crozier: So I can go back to my municipalities then and say—

Mr Terence H. Young (Halton Centre): Mr Chair, on a point of order: Is the time not up?

The Chair: We have about 30 seconds left.

Mr Crozier: The Chair has a stopwatch. So I can go back to the municipalities and say: "It's going to cost you less. The information's going to be better and all those cumbersome forms that we used to use are out the window and a new set will be coming in."

Hon Mr Leach: You've got it down pat. Don't forget that phrase.

The Chair: Thank you.

Mr Phillips: Toronto knows best.

Mr Crozier: Toronto knows best.

The Chair: Thank you, Mr Crozier. It's time now to move to the next round of response and questioning. We'll move to the members of the third party and Mr Rae.

Mr Rae: Thank you, Mr Chairman. I want to use the time as effectively as I can, so I'll try to avoid any rhetorical flourishes, except to say that I'd like to start my questioning with the Minister of Municipal Affairs and, if time permits, I'll have a couple of questions for the other ministers.

Minister, I'd like to focus on this question of fees and charges in relationship to a direct tax and, just for your reference points, I'm looking at the sections that go from page 147 to page 153.

Let me put to you a proposition, that you have to look at the powers in this section on a comprehensive basis because you're not only authorizing the municipality to charge any class of persons and to impose a charge in the nature of a direct tax on any class of persons, but you're also very clearly expanding the licensing powers of the municipalities as well, licensing powers which, as you rightly say, are now sort of hodgepodge and set out in a

whole bunch of different statutes. You're just simplifying that structure and saying: "You have a broad power to license. In fact, as a condition of doing business in your municipality you can require that the person doing that business has to hold a licence," whereas often there are many businesses right now which don't require licence fees.

Hon Mr Leach: That's correct.

Mr Rae: So in fact, just to sort of confirm my understanding, it's now possible in order to meet this $700-million revenue gap, that not only will municipalities be reducing their services, but they'll also be charging people and requiring the holding of a licence by people who've never been regulated before.

Hon Mr Leach: Yes. There are new businesses that establish themselves and new kinds of businesses establish themselves every day, and right now, a municipality cannot license them without getting legislation.

Mr Rae: Right. Part of my theory of life is that municipalities can be every bit as officious and bureaucratic and overregulatory as any other level of government. There's nothing that makes them immune from those natural diseases of government. That's true, isn't it? If we all agree that one of the pathologies of public life is that bureaucracies tend to overregulate, there's nothing that would stop a municipality from overregulating and charging a new licence in an area that was never charged before.

Hon Mr Leach: Yes, I think the vast majority of municipalities would act in a responsible manner, but again, if there is an occasion, that's what clause 220.1(10)(b) is there for.

Mr Rae: If they don't, you'll regulate them anyway. My question is this—

Hon Mr Leach: You can't have it both ways, Bob.

Mr Rae: No.

Mr Gerretsen: But you're having it both ways.

Interjections.

Hon Mr Leach: You can't say you've given away all your powers—

Mr Cooke: Autonomy but not necessarily autonomy.

Interjections.

Mr Rae: I just would say by means of preface, I think this is all a bit of a shell game. You admit that revenues are going to have to be raised because not all the $700 million is going to be covered by finding efficiencies. You'd agree with that. Some revenues are going to have to be raised. Is there a $700-million efficiency gap?

1030

Hon Mr Leach: I think it depends on the municipality in question—

Mr Rae: But overall across the province?

Hon Mr Leach: Across the province there are some municipalities that will increase fees, there are some that will cover it by improving efficiencies, others will do it through restructuring and so forth. We just want to make sure that they have all of those options available to them.

Mr Rae: One of the conditions under which a municipality can impose on a business that wants to do business is on page 151. It says, "the power to impose conditions as a requirement of obtaining, continuing to hold or renewing a licence, including...the payment of licence fees, which may be in the nature of a tax for the privilege conferred by the licence or for the purpose of raising revenue."

Let me put this scenario to you. What would prevent a municipality from saying to, say, a store that sells tobacco, a corner store, "You need a licence, you need a municipal licence to operate, you have to pay that licence, and one of the conditions for that licence is that you will pay us a portion of the revenues that you receive from your tobacco sales"? What would stop the—

Hon Mr Leach: Good question. I asked that very question of our legal counsel—

Mr Rae: And what's the answer?

Hon Mr Leach: —and they tell me that the tools are not there to allow them to do that.

Mr Rae: Let me suggest to you that I don't see why that wouldn't be the case, and then let me ask you to turn to the bottom of page 153, where it says: "If there is a conflict between a provision in this part and a provision of any other section of this act or any other act, the section that is less restrictive of a local municipality's power prevails."

That's pretty broad. As I understand that section, what that section says is, we want to give as much power and as much autonomy and as much authority to the municipalities as possible, and if there's any other section that relates to the sale of goods or to any other provision that is more restrictive of the authority of the municipality, that section goes and this section prevails.

As I would understand it—and I'm really just trying to find out here how this is going to operate—what would stop a municipality from saying, "We think all gas store owners should pay us the following charge based on the following revenue flow"?

Hon Mr Leach: The issuance of a licence has to relate to the service that's being—

Mr Rae: Where does it say that?

Hon Mr Leach: It does say that.

Ms Nancy Bardecki: I'm Nancy Bardecki, the director of municipal finance with the Ministry of Municipal Affairs and Housing, and I'm hoping we're responding to the right question.

I believe you were asking what would stop a municipality from saying, "You have to have a licence to operate a business in this municipality, and one of the conditions that we are imposing is that you"—did you say "need to collect a tax"? Was that the question?

Mr Rae: No. What I'm suggesting, Nancy, is that as I understand this legislation, there would be nothing particularly unusual or dramatic for a municipality to say, "We're going to have a licence but the cost of that licence is partly going to be determined by the size of your revenue flow, or by the size of your business, or by the nature of the activity which you're in." Or alternative-

ly, I don't quite know what would stop a municipality from saying, "The condition of our licence is that you will collect a charge from everybody that buys cigarettes." What would be wrong with saying that? "The condition of your holding a licence to sell tobacco in the city of Toronto is that you will charge everyone who purchases a carton of tobacco X amount." What would be wrong with saying that?

Ms Bardecki: The conditions that you impose or that a municipality imposes on a business in order to obtain a licence have to be related to the nature of that business.

Mr Rae: Where does it say that on page 151?

Mr Scott Gray: Scott Gray. I'm a solicitor with the legal branch of Municipal Affairs.

As I understand, your question really is, what kind of conditions can a municipality impose on a business licence?

Mr Rae: Yes.

Mr Gray: The answer in general terms is that those conditions have to relate to—I'm trying to see the best way to put it, but it has to relate to the ongoing operation of that business.

Mr Rae: Why?

Mr Gray: Because that's what the courts have said. Certainly there have been examples where municipalities have tried to go beyond the normal scope of licensing, and the courts have said, "That doesn't reasonably relate to the business of operating that business, so you can't impose that as a condition." One of the examples, for instance—I don't know if it was the city of Toronto, but it was in Metro, when they tried to impose a condition on taxi companies as to the form of wording they could have in the taxicabs. I think in that case, whether it was religious, but it was not related to the business per se and the court said, "No, that isn't a permissable kind of condition to impose on a business licence."

Mr Rae: Let me put it another way. When you combine the section on page 147 with the section on page 151, I don't honestly see what would be wrong with a municipality saying to the public, "Look, we have to pay for roads somehow, and we think the people who should pay for roads are the people who drive on them. Right now, we don't have a way of doing that, and we can't charge a toll on every road, so we're going to require that gas station owners collect a fee for us from people who are purchasing gasoline from them."

Mr Gray: They simply don't have that authority. That's our view.

Mr Rae: Why not? Wouldn't you at least admit the possibility, Scott, that somebody would say, "Despite any act"—this is what it says—"a municipality and a local board may pass bylaws imposing fees or charges on any class of persons"?

Mr Gray: Yes.

Mr Rae: Then it goes on to say, "A bylaw under this section may provide for fees and charges that are in the nature of a direct tax for the purpose of raising revenue." Then you have the licensing powers that are set out on page 151, and then you have the general clause that says, "If there is a conflict between a provision in this part and a provision of any other section...the section that is less restrictive of a local municipality's power prevails."

Mr Gray: I'm not quite sure. There are a number of questions in there.

Mr Rae: I'm trying to get a very specific question, but I'm trying to look at it a little more generically and say, since the power you're now giving is so broad with respect to the imposition of a charge on any class of persons for the purpose of paying for the services and activities that are provided by the municipality, and you have the broader licensing powers that are there with respect to all the businesses that are undertaken in the municipality, I personally don't see how you could object to a municipality that says: "Look, what is more generic to what we're doing than roads? Who causes the potholes in the roads? It's not people who are walking on the sidewalks; it's the people who are driving their cars and trucks. Why wouldn't we charge people who are driving their cars and trucks? Why wouldn't we do that?"

Mr Gray: Once again, there are a lot of statements in there. I guess my reaction is, for what reason would you impose a tax if you can't collect it, if you can't require it be collected, if people don't pay it? You don't have any mechanism to deal with it. So when you're dealing with the gas station owner, you have no authority to require them to collect the taxes, you have no requirement to allow them to remit the tax, you have no requirement to allow them to maintain the records. If this is imposition of a tax, to me, if I stood here and said that municipalities can impose this kind of tax, where are they going to be? You can impose a tax; you can't require people to collect it; you can't require them to send it in; you can't require them to keep the records that are necessary.

Mr Rae: You have the power, with due respect, Scott, as they say in courts, you have the ultimate authority as a municipality, you have the power to withhold a licence. You have the power to require that anybody who wants to carry on any economic activity in that jurisdiction has to have a licence. That's an extraordinary power to have.

Mr Gray: And of course it's an existing power for those businesses they can already license.

Mr Rae: Yes, absolutely right. And now you're expanding that power and you're extending it.

Let me give you another example. I don't see why one wouldn't go to businesses that are engaged in the business of selling cars or in the business of repairing cars, or—there are lots of ingenuity that one could apply within a municipality to say, "Why wouldn't we exact something of a toll on those folks," knowing that they're going to pass the cost on to the customer. Ultimately, there's only one customer and there's one taxpayer.

Hon Mr Leach: I guess we have to ask the question. They have the authority and the power right now, and they had it yesterday and they had it when you were in power, and they had it when the Liberals were in power to do it.

1040

Mr Rae: Yes. The difference is, you now have a $700-million problem.

Hon Mr Leach: Yes, you're right. The difference is a $100-billion debt. But they have it, and we think that the municipalities will act in a responsible manner. They had the ability, if they chose, to take the type of actions that you're suggesting that they might—they could have done that at any time. There have been difficult financial times for municipalities over the years where they required revenue, and they've all required revenue, to resist an increase in the property tax. They had the power to do it then. If they were going to do that, why would they not do it then and do it now?

Mr Rae: Okay. Let me just say, Minister, you made a comment earlier about amendments and so on. I hope very much that if you hear alternative opinions to the ones you've been given by your staff, you will at least consider the kind of powers that you're trying to provide. The purpose of my comments, of course, to be very direct with you, is that I think that this is a bit of shell game, that you've created a $700-million challenge to the municipalities. Some of the restructuring, I agree entirely with you, is entirely necessary and needs to happen, but you are giving them no choice but to go out and raise revenue and raise taxes, but you are avoiding the provincial responsibility for that by saying: "Well, that's their business. If they decide they have to do that, we won't take the political heat for doing that."

Hon Mr Leach: What we're doing is telling them that they don't have to come back and get a change to legislation to change a fee that's currently being charged.

Mr Rae: Right, but the fact of the matter is, there is a $700-million problem, and you know as well as I do that there is no way that this problem can be addressed by "finding efficiencies" alone. All the restructuring in the world is not going to find you $700 million—

Hon Mr Leach: I totally agree. It's got to be a combination of all of the tools and all of the factors that are there.

Mr Rae: Including raising revenues—

Hon Mr Leach: Yes, including raising revenues.

Mr Rae: —and you are creating, I believe, a problem which municipalities are going to have to solve by raising revenues or taxes in some way, shape or form, and the range that's now provided—

Hon Mr Leach: The municipality that you're sitting in at this moment says that it won't. It won't raise taxes and it won't put user fees in.

Mr Rae: Well, we'll see whether any fees go in that weren't there before. We will see. Would you at least concede—

Hon Mr Leach: I'm sure that there are going to be changes in fees, because some of the fees that are there don't even allow them to recover their costs, which I think is a reasonable thing to do.

Mr Rae: I would argue that what we need, Mr Chair, is at least a willingness on the part of the minister that if he can be persuaded on the basis of other people's opinions, apart from mine and others in the Liberal Party, that he is opening a door that was not as open as it now is, he would look at amending the legislation.

Hon Mr Leach: That is now not as open as it is?

Mr Rae: I'm saying to you, if you are opening the door wider than it now is, would you amend the legislation?

Hon Mr Leach: No. We propose to have the door open wider than it now is.

Mr Rae: Okay.

Mr Cooke: But you don't understand the law. If there are bigger openings, you will amend the bill, right?

Mr Rae: Well, we'll see. All we can do is present the evidence. But I think there is an argument that you've gone further.

I have two other sets of questions that I wanted to ask. One of them is very dangerous because I don't actually know the answer, and that is to the Minister of Natural Resources on the Game and Fish Act. How much do we collect now from the licences?

Hon Mr Hodgson: It's an average of $42 million to $44 million. As you know, we have a three-year licence renewal on the Outdoors Card.

Mr Rae: Yes. Have we got a way of separating out, within MNR's budget, the cost of conservation and restocking and all the work that we do in hunting and fishing?

Hon Mr Hodgson: Yes, we have a base budget, if that's what you're asking, of approximately $66 million, but you've got to remember that—

Mr Rae: Sorry, $66 million?

Hon Mr Hodgson: Sixty-six million dollars, approximately. You have to remember, though, that these revenues are based on licence fees. There are other non-consumptive users of our natural resources. There are people who enjoy bird-watching or just walking in parks and forests—

Mr Rae: So are you going to charge them too, or what?

Hon Mr Hodgson: No. I think you have to recognize that there will be a base budget—

Mr Rae: The birds and the bees will still be free; is that what you're telling us?

Hon Mr Hodgson: I think somebody actually wrote a good song about that before our time. Yes.

Mr Rae: Just so I understand it, to get behind the numbers, because I can assure you we thought about a lot of these ideas as well and then we began to feel that they were a bit of a shell game. You say you're setting up a separate fund, and it's $44 million, but the separate fund is not enough to pay for the service that you're providing.

Hon Mr Hodgson: No, that's not what I'm saying.

Mr Rae: You just said it was $66 million—

Hon Mr Hodgson: I think the reason why you didn't set it up was different then in that you thought about it and Mr Wildman couldn't get it out of the treasury's control at the time. This is more along the lines of a user fee. We've talked a lot about fees here this morning, that people pay for a specific purpose, they pay a licence, and they should have some transparency to where those funds go. So once a year the Minister of Natural Resources will have to take the advice of the advisory committee, plus

where the fees are spent, and table that in the Legislature so it's accountable to the people of Ontario.

Mr Rae: So you'll now have an advisory committee made up of hundreds of fishermen?

Hon Mr Hodgson: No, not necessarily. It's at the discretion of the minister.

Mr Rae: Oh, I see. So you can appoint whoever you want to the advisory committee.

Hon Mr Hodgson: Yes, and that will change from government to government.

Mr Rae: So we'll have former Tory candidates telling us how the $44 million is being spent, but then you've got $22 million—

Hon Mr Hodgson: It all depends who the government is in 20 years.

Mr Rae: That's right. While one lives, one hopes.

So there's an additional $22 million. Will you transfer that into the trust fund?

Hon Mr Hodgson: No. There will still be a base budget within the Ministry of Natural Resources for the stewardship of our natural resources.

Mr Rae: So the $44 million pays for what?

Hon Mr Hodgson: It pays for fish and wildlife rehabilitation, stocking, conservation, ecosystem management in regard to moose habitat, to use a practical example, or fish habitat, of spawning bed rehab.

Mr Rae: But you're not setting up a separate authority with a separate budget.

Hon Mr Hodgson: No, what we're setting up is a transparency on where these funds are spent, so that no matter what happens in the future, the Ontario public can be assured that if they pay so much towards a licence for a particular purpose, that money is dedicated back to the sustainability of that particular resource.

Mr Rae: But we know that's true now, right?

Hon Mr Hodgson: No, you have no surety that's true now.

Mr Rae: But you just told me that you're already spending—

Hon Mr Hodgson: Presently we spend $66 million on all our management.

Mr Rae: So you're spending 50% more than you're taking in on the licence fee.

Hon Mr Hodgson: Right.

Mr Rae: Now you want to create transparency so people will know that.

Hon Mr Hodgson: Right.

Mr Rae: Should we assume that the long-range plan of your government is to increase the fee to the point where it pays for the entire service?

Hon Mr Hodgson: I wouldn't assume that. What I can tell you—Mr Chair, I think the opposition would know this—is that in recent history, when we faced spending reductions across the whole provincial government, Natural Resources has never been viewed as an urgent priority when you're talking about other interests that can scream louder at the table. What I'm trying to do here is to protect people who pay their money for a particular use, that that money will always go towards those uses.

Mr Rae: In other words, what you're saying is—

Hon Mr Hodgson: Is it a perfect world? No, but I want to make sure that they know that when they buy a licence, that money's going to be put back in to help those uses.

Mr Rae: Despite the fact that previous governments have done such a terrible job, you're still admitting that right now we're paying 50% more for conservation and for fishery stocking and for preserving the moose and deer habitat and paying for conservation officers than we're taking in on the licence fee.

Hon Mr Hodgson: No, there's research involved in that as well. That's a total budget—ecosystem management, biodiversity.

Mr Rae: Research wouldn't take—but all those activities have been protected to the point where the licence fee pays $44 million and there's still $66 million that's being spent.

Hon Mr Hodgson: Right. That has to do with forestry as well.

Mr Rae: When we talk about transparency, I think that kind of transparency is also important, so people understand where the money's coming from.

Hon Mr Hodgson: That's right.

Mr Rae: I would defer to Mr Cooke.

Mr Cooke: I just have a couple of questions. I want to go back so that I understand what you're saying about licensing fees and taxes and all of that.

If a municipality decided, for the purposes of licensing a gas station, that the cost of the licence was going to be one cent per litre of gas sold at that gas station in any given year, would that be permitted under these proposals?

Hon Mr Leach: I'm advised not, because I'm advised that they have no authority under the terms of a licence like that to require a business to keep that kind of record or remit that kind of tax.

1050

Mr Cooke: So there's nothing—go ahead.

Mr Tony Silipo (Dovercourt): Again that seems, as we look at it, to be in effect the case. Back on page 151 clause 257.2(2)(f), says,

"the power to impose conditions as a requirement of obtaining, continuing to hold or renewing a licence, including conditions,

(i) requiring the payment of licence fees, which may be in the nature of a tax for the privilege...."

It's quite—

Hon Mr Leach: Quite frankly, I asked that very question: What would stop them from doing that? I'm told that the municipality doesn't have the authority to do that.

Mr Silipo: But you're giving it to them, Minister. You're giving it to them under this subsection.

Hon Mr Leach: No, we're not.

Mr Silipo: You can't say they don't it. You've got legislation in here that gives them the right to do that.

Hon Mr Leach: We've asked the question. We asked it of the legal people who drafted this bill. We told them what the intent was; we told them what we wanted and what we didn't want. I asked the question: Could a municipality do this? I'm advised no, they cannot do that under the terms of this act.

Mr Silipo: I think you'll find there's going to be lots of advice to the contrary saying that in fact they can do this, and as Mr Cooke and Mr Rae were saying, the municipality will be able to set a fee on a proportion of the revenue of that business.

Hon Mr Leach: I have perhaps more faith in our public service than you do, but when you ask the question, if you ask the question—

Interjections.

Mr Silipo: Minister, please. They're human just like anyone else.

Hon Mr Leach: Yes, I know, but I asked—yes, there's always error when you're drafting legislation but you have to—

Mr Silipo: It's not a question of people's motivations here.

Hon Mr Leach: —they'll provide you with the right answer.

Mr Silipo: We're talking about legal interpretation, and there's more than one legal interpretation, especially, as Mr Rae was pointing out, when there are provisions in this bill that make it clear that where there are conflicts the provisions of this bill will prevail, and the language here is pretty clear in terms of talking about a tax. As that is understood out there, it means that you can attach the cost of a licence for an operating business to the revenue.

Hon Mr Leach: My understanding is that there is case law out there now that this has been attempted in the past by municipalities and the courts have not upheld it.

Mr Rae: Can I ask a technical question? Has there ever been a power "requiring the repayment of licence fees, which may be in the nature of a tax"? Have those words been used before in the Municipal Act?

Mr Barnes: Doug Barnes, director, local government policy branch. The current provisions in the Municipal Act in fact say, "which may be in the nature of a tax," currently in the act, dealing with licensing.

Mr Rae: So they say that. Do they also talk about "in the nature of a direct tax"?

Mr Barnes: On the licensing provision it just says "in the nature of a tax."

Mr Rae: What about the "imposing...on any class of persons fees and charges that are in the nature of a direct tax for the purpose of raising revenue"? Has that phrase ever been used before?

Mr Barnes: No, it hasn't.

Mr Rae: That phrase has never been tested in court?

Mr Barnes: No.

Mr Rae: So we have legal opinions. You get one lawyer in the room and you get five legal opinions. We don't have any legal opinions that matter in terms of what courts would say; is that right? So the answer to the question, "What would courts say about the meaning of that phrase?" is that we don't know.

Mr Barnes: The positioning of that particular phrase is one which has been put forward as necessary to ensure the legal integrity of the legislation in the future.

Mr Rae: I understand the ministry's objective and I understand the minister's policy statement that if somebody tries to impose a tax which he doesn't like, he'll pass a regulation saying, "No, you can't do that," whatever that means, because I'm not quite clear how he would exercise that power or how long he'll be the minister or how long any of us will be around.

Just to come back and try to understand this, the phrase "fees and charges that are in the nature of a direct tax for the purpose of raising revenue" is not a phrase that has been used before in terms of municipalities, is that correct?

Mr Barnes: I'm sorry, Mr Rae, but I think what's happening here is you're taking the licensing authority and you're taking the user fee authority as if they were one and the same, and they're not.

Mr Rae: No. What I'm doing is I'm trying to look at the structure of the act, and as I see it, these two sections can be read together. In fact, you've got to go all the way to the "conflicts" section, where it says that this section prevails over any others in terms of the powers of municipalities.

If I were seeking to make a case for a municipality in imposing a charge and trying to look at the overall intent of the legislation, that's what I would do.

Mr Barnes: The conflicts provision, section 257.7, is regarding any conflict which arises between a licensing provision as provided here or anywhere else and not to deal with conflicts between licensing legislation and other forms or types of legislation.

Mr Rae: I understand that, but it says, "If there is a conflict a provision in this part and a provision of any other section of this act or any other act...."

Mr Barnes: Right, but this provision that you're dealing with, or this section, is licensing.

Mr Rae: Yes.

Mr Barnes: So the conflicts will only arise in terms of dealing with licensing provisions.

Mr Rae: I understand that, but if you look at the conditions which attach to a licence and the power to impose special conditions, those are fairly broad powers and fairly general powers. Again, I just would come back to the point that I don't quite understand the sense of overall confidence that says: "Just because we've given them a power to issue a charge in the nature of a direct tax on any class of persons, that doesn't mean they're going to do things we don't like. Of course they won't do things we don't like." I don't quite understand that confidence that says that.

The last point is, am I correct in thinking, on page 148, that where somebody doesn't pay a charge, you can put that on to the property tax roll?

Mr Barnes: It says you can collect it that way. Yes, you can put it on the tax.

Mr Rae: Mr Leach was setting some store to the fact that if you didn't have the power to authorize them to pay their taxes, presumably if somebody refused to pay a certain kind of charge, you could simply impose that charge on their property tax.

Mr Barnes: Yes.

Mr Rae: What happens if you refuse to pay your property taxes?

Mr Barnes: If you're getting at the provision that you can use this to go through a tax sales procedure to collect the tax, the answer is no, you cannot.

Mr Rae: I just want to get through this point. A municipality can impose an additional charge. If that charge is not paid for, it then goes on to your property taxes. I'm just trying to make it clear that if people default on their property taxes, eventually they lose their home. Isn't that correct?

Mr Barnes: That's correct, but there's a technical difference here. When you say you can collect it in a like manner to taxes, it doesn't mean you can collect it in a manner as if it were a tax. You cannot, under this provision, require the tax sales procedure for payment of taxes at all.

The Chair: Thank you, Mr Barnes, and thank you, ministers, for appearing. Time has run out for this session.

ONTARIO CHAMBER OF COMMERCE

The Chair: I'd like to call now on the Ontario Chamber of Commerce representatives to come forward.

Mr Phillips: Can we have those two things today, the legal opinion and the amendments that they said?

The Chair: Minister Leach, you talked about tabling a legal opinion earlier. Is that available?

Hon Mr Leach: Yes, we'll make it available.

Mr Phillips: And the amendments that were talked about today, when will we see them?

Hon Mr Leach: As soon as we get them drafted.

Mr Cooke: How many amendments do you have at this point?

Hon Mr Leach: One, maybe two.

Mr Cooke: Maybe three.

The Chair: Members of the chamber, please. Could everyone please move outside with your conversations so we can get moving with the chamber.

Good morning, sir. Welcome to our committee. I'd appreciate it if you could introduce yourself for Hansard. You have half an hour to make a presentation. Whenever your presentation is done, whatever time is left over we'll allot equally between the different parties for questions.

Mr Cooke: Were all these people here to support the minister?

Mr Ian Cunningham: Good morning. My name is Ian Cunningham and I'm the director of policy for the Ontario Chamber of Commerce. I'm pleased to make a presentation before the committee today on behalf of the Ontario Chamber of Commerce on Bill 26, the Savings and Restructuring Act. My intention is to give you a brief overview of the position of the chamber regarding the government's omnibus legislation and permit time afterwards for questions from committee members.

The Ontario Chamber of Commerce is a provincial business association representing 65,000 members through more than 200 federated community chambers of commerce and boards of trade. We represent the interests of the business community at the provincial level with respect to changing government legislation and policies. Our goal is to establish effective communications between business and government in fostering a better economic climate throughout the province.

Our members are drawn from all areas of the province and are engaged in every sector of Ontario's economy. They include small, medium and large employers who provide millions of jobs and one of the highest standards of living in the world. Our expansive and diverse membership and our grass-roots democratic model of governance solidify the Ontario chamber's position as the voice of business in the province.

The Ontario Chamber of Commerce supports the purpose of Bill 26, which is to achieve fiscal savings and promote economic prosperity through public sector restructuring, streamlining and efficiency. It is clear that government restructuring is long overdue. With deficits averaging near $10 billion annually over the past four years and an accumulated debt of more than $90 billion, it is imperative that the Ontario government take strong measures to reduce spending and to get its finances under control.

The Ontario Chamber of Commerce believes that the role of government in today's economy is to create a climate that will encourage people to go into business, help existing businesses to grow and attract new investment that creates jobs.

In the past, government has attempted to be all things to all people, but today we've realized that government can no longer afford this any more. Restructuring government and restoring confidence in the financial strength of the province is essential to the future of Ontario's economy. As you may know, many of our members have had to restructure their own operations over the past decade to stay competitive in the increasingly difficult marketplace. The ones that have adjusted have successfully emerged from the recession of the early 1990s, while many of those who did not adjust are no longer with us.

The Ontario Chamber of Commerce believes that the provincial government must also adjust to the changing times and demands which are being placed upon it by today's modern society. The government must realize that we cannot afford to continue running up $10-billion deficits without seriously jeopardizing the economic future of our children and our grandchildren.

We support Bill 26 because it provides the mechanism for the provincial government and municipalities to commence this restructuring effort, improve the financial strength of the province and send a strong message, a

message that Ontario wants to work with the private sector and create jobs and foster economic growth.

Bill 26 is very broad and proposes amendments to many pieces of legislation affecting our members. I would like at this point to focus on the proposed changes to the various acts that will have the most impact on our members.

Schedule M of Bill 26 contains amendments to the Ontario Municipal Act and other statutes related to municipalities, conservation authorities and transportation. I would like to focus on two specific amendments proposed in the legislation, namely, the proposal to give municipalities and local boards broad new powers to impose fees or charges for any services or activities they provide and the addition of a new part in the Municipal Act that establishes new general licensing powers to municipalities.

While we support the goal of restructuring and the introduction of fees for service, the Ontario Chamber of Commerce is concerned about the broad powers in Bill 26 that are given to municipalities to impose fees or charges for any services or activities provided by them.

While the bill gives the Minister of Municipal Affairs the power to make regulations limiting or imposing conditions on the imposition of fees or charges levied by municipalities, we believe that greater definition should be given to the types of fees or charges that may be permitted under this amended section. Specifically, subsection 220.1(3) provides that a municipality may, by bylaw, impose "fees and charges that are in the nature of a direct tax for the purpose of raising revenue."

The Ontario Chamber of Commerce is concerned that this proposed amendment will lead to municipalities imposing fees that do not correspond to the value of the service being provided.Furthermore, we are concerned that fees may be imposed on businesses for the sole purpose of raising municipal revenues and not specifically related to any activity or service provided by the municipal government. This may have a serious impact on the ability of businesses to create jobs and growth throughout the province. We believe that this proposed amendment should be improved to limit municipalities to charging fees on a value-for-money basis and not for the sole purpose of raising revenue.

We are also concerned about subsection 220.1(9), which denies people the opportunity to appeal to the Ontario Municipal Board the imposed fees or charges levied by a municipality or local board under the act on the ground that the fees or charges are unfair or unjust. We believe that the government should provide some flexibility in the legislation for people who may have extenuating circumstances and permit, at the very least, the opportunity for appeal.

The Ontario Chamber of Commerce is concerned about part XVII.1, a new part added to the Municipal Act giving municipalities general licensing powers. The new part gives municipalities the ability to license and regulate any business carried out in the municipality. The chamber is concerned that, as currently worded, trade and competition may be restricted by municipalities through this new section.

We do not oppose giving municipalities the power to pass bylaws providing for the licensing and regulation of businesses; however, we believe that the proposed amendment needs to be defined and clarified to ensure that municipalities do not unfairly restrict businesses from operating or impose additional regulatory requirements that will threaten the ability of the private sector to create jobs and to grow throughout the province.

The Ontario Chamber of Commerce supports the proposed changes contained in schedule B of Bill 26 to the Corporations Tax Act concerning the mining reclamation trust tax credit and the Ontario innovation tax credit for small and medium-sized Canadian-controlled private corporations having permanent establishments in Ontario in respect of scientific research and experimental development in Ontario.

We believe these incentives for business is a positive role that the government can play to encourage the private sector to invest in the province. The proposed amendments to the Corporations Tax Act will assist these sectors to create jobs and contribute to the overall provincial economy.

Part IV of schedule F of Bill 26 contains amendments to the Independent Health Facilities Act concerning the use of personal medical information. The proposed amendment provides the Minister of Health with new powers to collect, use and disclose personal information for specified purposes and to enter into agreements for the exchange of personal information for specified purposes.

While the Ontario Chamber of Commerce supports the goal of the provincial government to reduce fraud in the health care system, we believe that the government's powers should be better defined due to the highly sensitive nature of the information involved.

Bill 26 is very broad and very comprehensive and it contains amendments to various pieces of legislation necessary to restructure the public sector and to achieve fiscal savings and improve operating efficiency of government.

The Ontario Chamber of Commerce supports the broad direction being charted by the government through this legislation. We believe that through these actions, the government is sending the right message to the private sector, that the province is open for business again.

The Ontario Chamber of Commerce appreciates the opportunity to come before you this morning to offer our views in regard to Bill 26, and I look forward to answering any questions that you may have.

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The Chair: Thank you very much. We're going to have about six minutes per caucus for questions and we're going to lead off with the opposition.

Mr Gerretsen: Are you going to take six minutes per caucus or are you going to rotate per question?

The Chair: We're going to go six, six and six.

Mr Gerretsen: It's always good to hear from my friend Ian Cunningham about these issues. But what I find very extraordinary about your presentation, Ian, is that the four concerns you have with respect to the direct

taxation question and the OMB appeal, the general licensing power and the personal information matter are exactly the kind of issues that have been raised by the members of the opposition in the House with respect to this bill.

Were you consulted by the government at all about this bill beforehand? When I say "you," I mean the chamber?

Mr Cunningham: No.

Mr Gerretsen: Are you concerned then about the additional powers that municipalities will get by way of direct taxation provisions?

Mr Cunningham: It's certainly a concern. The Ontario Chamber of Commerce has never thought that businesses pay too little tax. I think we in the Ontario chamber believe that the government doesn't have a revenue problem; it has an expenditure problem. So any new form of a tax we would object to.

In terms of fees for service, our view is that these are probably appropriate. These are an appropriate mechanism as long as there's not additional margin beyond the cost of issuing added, that they're not simply an additional tax grab.

Mr Gerretsen: You heard the minister say here this morning that they don't want to have property taxes increased. They're giving municipalities more power with respect to fees, and the $700-million amount that's going to be lost to municipalities will mainly have to be raised through fees. Is that what you're concerned about as well?

Mr Cunningham: You and I know there's a whole lot of room in local government for restructuring and improved efficiencies. Mr Gerretsen and I come from Kingston where there are four local governments and a county government that govern a population of approximately 130,000 people. I think the vast majority of people there feel that they are overgoverned and there are efficiencies that can be gained by some new municipal government structure. The mechanics of how you put the governments together to optimize efficiency and minimize costs have to be worked out, but I think there are tremendous savings that can accrue from the kinds of efficiencies we might experience in the greater Kingston area.

Mr Crozier: Good morning, Mr Cunningham, just one question. You said that the chamber hadn't been consulted prior to the introduction—

Mr Cunningham: Not around the bill at all. We were encouraged to participate in this process.

Mr Crozier: Since the introduction of Bill 26, and you speak on behalf of all the chamber members, have you surveyed the chamber members regarding Bill 26?

Mr Cunningham: No, I have not.

Mr Crozier: In a bill which has such broad powers, do you still feel comfortable that you speak on behalf of all your members?

Mr Cunningham: We have a book of standing policy that we can fall back on. The expeditious way in which the government is approaching this bill creates a bit of an inconvenience for many people, inconvenience in terms of the rush to get things done, but it's simply an inconvenience, and I feel comfortable that our policy positions of the past are consistent with my remarks this morning.

Mr Crozier: Just very quickly, you consider it an inconvenience with the rush to get this bill through. You realize of course that there is little that I've been able to find in this bill that if it were not passed in the spring, along with a budget, would hold up the government at all, and that we could've taken much longer through the winter months to review this bill and it would have been of less inconvenience to you.

Mr Phillips: Just quickly, we're into kind of a business environment now where we're thinking globally, and I would think many of your businesses have outlets or organizations or offices in all sorts of different municipalities around Ontario. One of the things that is of concern to us in this bill is that I think we're going to have a hodgepodge, like a balkanization, of fees and charges and even taxes in municipality to municipality. Rather than your business, which may have 10, 20, 30 outlets around Ontario, being able to deal with essentially one regime, you're going to have 20 or 30 regimes. Does the chamber want to express its view on what it does to the complexity of doing business across the province?

Mr Cunningham: We have that already. I don't mean to dwell on the Kingston experience, but local companies would have outlets in several municipalities within the same functioning community and adapt to the different regimes. The more standard it is from community to community, certainly the easier it is to deal with.

Mr Phillips: I just know the GST-PST thing—

The Chair: I'm sorry; we've got to now go to the members of the third party.

Mr Cooke: Thank you for appearing before the committee. I just get from your presentation that what you support most about the bill is the name of the bill, and then you express a whole series of concerns, which have been expressed by the opposition in the last couple of weeks too, about the broad powers, about the implication of the licensing fees and so forth. I agree with you.

You said that you supported streamlining. Everybody supports streamlining. The more I hear about this bill—and you were here for the presentation of this ministers this morning—I get the impression that what we're doing here is putting some new powers in place for municipalities but building into it a whole bunch of more new red tape in the relationship with the provincial government. I guess I'd just like to get your impression, from studying the bill, where does this bill provide for streamlining?

Mr Cunningham: Specifically the red tape, what I recall from the presentations this morning, was the additional burden on the municipalities, the reporting burden. Is that—

Mr Cooke: I'm not quite sure how it shows that there's going to be a lessening of the reporting to the province from municipalities when the minister says we're giving all of these new licensing and taxing powers but the minster, if he doesn't like any of them, will rule them inappropriate and pass a regulation. There's going to have to be some reporting mechanism to the province

in order to know whether the province agrees with the new licensing or revenue-raising mechanisms.

I know business is always in favour of streamlining. I'd like to understand whether you just are buying into that because that's what's been said, that this is what it does, or whether you have some concrete examples of where's there's streamlining in this bill.

Mr Cunningham: I don't know what the reporting mechanisms are on the licensing. You're alluding to municipal reporting back to the ministry, and I don't know that it would be a burden on business.

Mr Cooke: One of the areas that you said you do support the bill on—and I think it's almost a quote from what you said—is that there's lots of room for restructuring at the local level. I had the honour to be Minister of Municipal Affairs for two years, and we were engaged in some restructuring up in Simcoe county and in London-Middlesex. My experience is that while the provincial chamber will express support for restructuring, when it comes down to the nitty-gritty at the local level there's not a lot of support from business to restructure.

What are you going to do to start getting your local businesses on side, or is this just a concept that you support and then when you see—because one of the questions I'd like to have asked the minister this morning is, how much money have they put aside so that if there is municipal restructuring, there are going to be some dollars available to phase in the shift in taxation that occurs when there is amalgamation and annexations.

Mr Cunningham: It's been my experience that local business people and community chambers of commerce are very interested in the structure of local government. I came to the Ontario Chamber of Commerce having served as the manager of the Kingston Chamber of Commerce. It was the highest order of priority of that business association, and continues to be. The efficiency of local government is a key business concern.

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Mr Cooke: I agree. I see the philosophy and the ideology behind it, which I don't disagree with. I don't see the grass-roots support when it actually comes to a real community.

Mr Cunningham: Yes, I don't see the Ontario Chamber of Commerce getting on side in an amalgamation issue where one of our community organizations is situated. That's their issue, and how they propose to position themselves with respect to their local government is a local issue. I would hope they'd play a strong role in pursuing the most efficient and effective way that we can govern ourselves.

Mr Cooke: Have you had at this point any legal advice or consulted any tax lawyers? Do you have any interpretation of the new powers that we see and hear for—

Mr Cunningham: No.

Mr Cooke: You haven't had any of that at this point. I guess I'm just going to finish, and then Tony will have some questions, I'm sure. We see, and I think you do too, that by opening up the ability for municipalities to bring in a lot of new licensing and taxing powers, that the $700 million of cuts, as you said at the beginning, is a spending problem, not a revenue problem. If the government believed in that, then I would expect that it would not have a piece of legislation before us that provides municipalities with a whole host of new revenue sources. I guess I'd like to get a read from you as to what your priority is: millions, tens of millions, hundreds of millions of dollars of new user fees or a decrease in the provincial income tax?

Mr Cunningham: Look, I think local government is the most responsive level of government. They're on the ground, where the people are. A municipal councillor talks to his constituency more than any other level of government, because he works and lives and breathes in that community. They're there every day and they're dealing with issues that affect day-to-day issues of—

Mr Cooke: If that's the case, then why do you want an appeal process on any licence fees, if they're so in touch with your local needs?

Mr Cunningham: Can I finish? I think that while local government, and government in general, is not totally analogous to business, they are very, very responsive to their customers, if ratepayers and residents are customers. I think they get a pretty good sense of what their residents are prepared to pay in terms of fees and what is reasonable.

The Chair: Thank you, Mr Cunningham. Sorry to interrupt, but the final six minutes are for the government party, starting with Mr Young.

Mr Young: Mr Cunningham, were you consulted, and if so, how often, by our caucus regarding the changes needed in Ontario to create jobs prior to the election and for the last year?

Mr Cunningham: I think chambers of commerce throughout Ontario were probably contacted quite a lot by the Progressive Conservative caucus; also by others. I mean, the Progressive Conservatives are not the only ones that consult with chambers of commerce, but I would say quite a lot.

Mr Young: Okay. With regard to subsection 220.1(9), do you have any idea or concept of a kind of appeals process that would be workable?

Mr Cunningham: There should be some simple, efficient appeal. But beyond that, I don't have any further comment.

Mr Sampson: Thank you, Mr Cunningham, for coming on short notice to speak to us today. I appreciate that.

I want to speak to the theme of questioning that I believe Mr Cooke was on with respect to the streamlining that's proposed under this legislation. Is it better, in your view, that your business constituents deal with a municipality directly as it relates to overtaxation issues, taxation versus services being disproportionate, or would your group rather speak directly to Queen's Park representatives? Is the local theme of this bill in your favour as opposed to not in your favour?

Mr Cunningham: I believe so. I think you can guess from my earlier remarks that I have high regard for local government. I think it's very responsive and on the ground, and it's easier to deal with somebody who's situated down the block in your municipal building, it's a little more accessible.

Mr Sampson: What's likely to happen to the business interest if it finds a particular local government is not providing the service but continuing to tax and tax away? Are they likely to just sit there and take it and pay their bill? What's their response likely to be?

Mr Cunningham: The ultimate response is that they would move to a lower tax jurisdiction, if tax is the only issue. I think municipalities are aware that their fees and charges have to be competitive with those of other businesses, if they're going to compete for and successfully attract new businesses into their jurisdiction.

Mr Sampson: So this particular bill then would set up an environment where you'd see the various local areas competing for business as opposed to the current situation where business, if it doesn't find the tax regime acceptable across the province, will leave the province. Is that a fair statement? Are we likely through this bill to create some competition among municipalities for business?

Mr Cunningham: I think so, yes.

The Chair: We have about one minute left for Mr Hardeman.

Mr Ernie Hardeman (Oxford): Good morning, Mr Cunningham. I just wanted to question a moment on the user fees. I think you indicated that the chamber supported user fees but you had some concern with the broader scope of being able to tax, through a licensing process, more businesses than are presently being licensed?

Mr Cunningham: On the user fees, we can accept that there is a cost absorbed currently by the municipality to issue licences, and businesses generally are prepared to accept the cost of issuing, as long as it's not an inhibiting factor to setting up a business.

Now, the other issue is whether the municipality might use these licensing powers in a restrictive way, where some business might get a licence and another not. That's a concern.

Mr Hardeman: Your main point, then, is that the user fees should be in direct relation to the service that they are being charged for.

Mr Cunningham: That's correct.

Mr Hardeman: You would carry on then to say, as Mr Sampson spoke, that in fact they could be used in a competitive nature, that in fact they could be less than the required amount in order to be competitive with a neighbouring municipality?

Mr Cunningham: Yes, in the same way that I think a business looking for a new location looks at tax rates, looks at labour force, looks at all kinds of things, but often there's a focus on the tax cost.

The Chair: Thank you very much, Mr Cunningham, for appearing before the committee. I appreciate your time and your input.

OFFICE OF THE INFORMATION AND PRIVACY COMMISSIONER

The Chair: If we could now move to the Information and Privacy Commissioner, Mr Wright. Good morning, gentlemen. The format this morning is 30 minutes. It's yours to do with as you will. Normally, we like to leave 10 or 15 minutes for some questions which would be allotted equally among the three parties. I'd appreciate it if you would start of by telling us who you are, for the sake of Hansard.

Mr Tom Wright: Certainly. Good morning. My name is Tom Wright, Information and Privacy Commissioner of Ontario. With me is Tom Mitchinson. Tom is the assistant information commissioner in my office.

While I appreciate having the opportunity to appear before the committee this morning to share with you my views on amendments to the Freedom of Information and Protection of Privacy Act as well as to the Municipal Freedom of Information and Protection of Privacy Act, as set out in schedule K to Bill 26, I would also like to take an opportunity to comment on the access and privacy implications of provisions contained in schedules E and O to Bill 26.

What I have done for ease of reference, or what I will do this morning is I will outline my concerns with each of the three schedules. As well, you each have a letter that I've addressed to the committee attached to which is a chart which identifies my concerns with respect to specific proposed amendments, together with some suggested alternative amendments which will address those concerns.

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If I could, I'd like to take a moment just to tell you who I am other than Tom Wright, Information and Privacy Commissioner. I am an independent officer of the Legislature. I report to the Legislative Assembly through the Speaker. I was appointed in 1991 by an all-party committee of the Legislative Assembly which was put together at that time.

Our office does a number of things, the most important of which is to process appeals from members of the public who have been denied access to information that they have requested. We also deal with complaints relating to privacy and concerns for the personal information in the hands of government organizations.

Turning specifically to schedule K—and I will follow the format of the letter you have—public access to government information and the protection of personal privacy are cornerstones of governing in the democratic society of today. Citizens who support government through their tax dollars must have the assurance that government, in return, respects their right of access to information and the necessity of protecting their personal privacy.

One of the underlying values of both freedom of information acts has been that they have been used by the public to gain access to government information which has both revealed the workings of government, and at the same time, held public officials to account for the performance of their public responsibilities.

When I refer to the use of the act, just to give you an idea, in 1994, members of the public made approximately 23,000 requests for information to all types of government organizations, both provincial and municipal, across the province. What the acts have done, I think, in this era of fiscal restraint is to keep the issues of fiscal responsi-

bility before the public at all times. Therefore, I am concerned about the nature and scope of the amendments that have the potential to damage the carefully constructed foundations of Ontario's access and privacy system, a system which I think by all reasonable standards has served the public well since its inception in 1988.

Turning specifically to the amendments in K, in the area of fees I have a number of comments around the issue of fees. I think the most important of these is the concerns about the sections which permit government organizations to charge individuals for access to their own personal information. Presently the acts don't permit any fees for requests made for an individual's own personal information.

I have commented publicly on many occasions that government is merely the custodian, not the owner, of the personal information it possesses. The true owner is quite simply the person to whom the information relates. In most cases, individuals are not given a choice about supplying their personal information to government; they are required to do so. I feel that in such circumstances it is unreasonable and unwarranted to charge a fee for access. To do so would amount to requiring someone to pay for something which is already theirs.

I will also tell you that no other jurisdiction in Canada imposes an application fee for the right of access to one's own personal information. Other jurisdictions do have some charges relating to personal information which basically relate to a charge for photocopies of copies of records that contain your personal information.

A comparison with other Canadian jurisdictions also indicates that Ontario's new fee structure would make access to information, in my opinion, more expensive than anywhere else. Neither the federal government nor any other province has a fee for appeals in their freedom of information system. Requiring individuals to pay a fee to appeal a decision to deny access would result, at a minimum, in individuals paying twice for information they may have already been entitled to in the first place.

It's interesting, some of the potential side effects, if you will, of introducing an appeal fee. It could also penalize individuals or business entities who would be required to pay an appeal fee to protect their personal or commercial interests, even though they had no role in initiating the original request for information.

I would also mention that the amendments as they are at present do not contain any provision for a head of a government organization to waive an application fee or for the commissioner to waive an appeal fee in circumstances such as where it would be in the public interest or perhaps a matter of financial hardship.

The other change that's being made, and the other major change, in my opinion, is the decision to eliminate the two hours of free search time which presently exist. In our present system, the vast majority of requests are responded to within this two-hour window and fees are not an issue. If requesters are now assessed a fee for all search-related costs, this could result in a significant increase in the number of fee appeals and create increased work for both my office and government organizations. Members of the public might also legitimately ask what they are receiving for their application fee if all costs associated with responding to their request are chargeable under the new fee structure.

By way of summary, in my opinion, the multifaceted fee system contained in Bill 26 would introduce operational and administrative complexities at a time when streamlining and simplifying the access to information scheme is an important objective. Coupled with that is that it has the real potential to adversely affect the right of Ontarians to access to government-held information.

I'll just give you a quick example. A requester could pay the initial application fee for an access request, a fee for a search for records which results in a denial of access and then an appeal fee to challenge the denial, all without receiving any information from the government organization in question.

Briefly turning to frivolous or vexatious requests, it's probably a gross understatement to say that those two notions of frivolous or vexatious do not sit comfortably with a freedom of information scheme which grants an open-ended or unqualified right of access to public information of which government organizations are only the stewards.

Before I move on, I think it's important for me to share with the committee the notion of government information and ownership. That's a theme you've heard already from me around personal information and I think it applies equally when you talk about the rest of information that government holds. At the end of the day, in my opinion, and I think it's fair to say it's the notion that flows through all freedom of information legislation, the public is truly the owner of the information in the hands of government and, with respect, I would ask members of the committee to keep those two ideas in mind in, considering not only the comments I am making this morning, but those of others who will be coming before you in the next week or so.

Specifically again on frivolous or vexatious, I think there is a potential for the right of access to information to be frustrated merely by a government organization's subjective view of the "annoyance" quotient of any particular request or requester.

My office has looked into this matter in some detail and it was the subject of what was a fairly highly publicized inquiry that I held in August of this year. During that inquiry, I expressed serious concerns regarding the actions of individual requesters whose conduct constituted an abuse of the freedom of information scheme.

At the same time, I concluded that it was the excessive number of requests and appeals collectively, coupled with a number of other factors, which led me to conclude that the particular requester was abusing the freedom of information scheme. I expressed this opinion in the order I issued in that particular inquiry, that a statutory scheme based on frivolous or vexatious requests will not achieve the desired result. Instead of discouraging abuse of the acts, it would create a cumbersome and complex system where valuable resources are directed away from customer service and into appeals which have no relation to the substantive rights provided to the public under the acts.

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In the chart, I have suggested an amendment which I believe encourages a more streamlined and less costly method of achieving the objective of preventing abuse of the freedom of information system.

I would also indicate that, again in my opinion, introducing an application fee in and of itself will achieve the goal that relates to frivolous or vexatious requests, which is basically to prevent those kinds of requests coming forward. I think my experience over the past four and a half years would indicate that the fee in itself, and I don't know what that would be, would act as a deterrent. People simply will not pay money to make requests which in my opinion would truly be considered to be frivolous or vexatious.

As I've tried to do in the letter and as I've tried to do over the past few years—advance solutions to these kinds of problems—there's one I'd like to share with the committee this morning and that is the notion of responding to the public's right of access to government-held information and a way of doing business on the part of government organizations that is both cost-effective and customer-driven, an approach we've called routine disclosure and active dissemination, and that's outlined in my letter this morning.

Basically and very briefly, what happens is that for routine disclosure, government organizations determine the kind of information that has been the subject of requests and proactively make it available; for active dissemination, government organizations put their mind to the kind of information in which the public might be interested and make it available before the request is made.

A very simple example is a mayor in a city here in the province who, every time he submits an expense account, because he knows the public is interested in his expense accounts, makes a copy for a file which simply is available to the public if they want to walk in and have a look at it, an alternative to the idea of having to make a request, search for the information and provide it with expense, not only in terms of fees but certainly for the organization.

I think my basic message this morning is along those lines as it relates to routine disclosure and active dissemination. These are ways in which you can avoid some of the bureaucracy of freedom of information, achieve cost-efficiencies and at the same time save the public significant amounts of money.

Those are my comments with respect to the schedule K amendments. I have two other brief comments with respect to two other schedules.

The first is schedule E. I guess the best way to describe it is toll roads. Our concern with this proposed amendment relates to the requirement that every vehicle must carry a tracking device. We believe that such a requirement has the potential for serious implications for personal privacy. Law-abiding citizens going about their daily business on a public highway could have their comings and goings monitored and tracked by a government computer. Furthermore, there are no restrictions on the use of the information that is collected.

I will say to the committee that I understand the value in applying this type of technology to commercial vehicles which will make regular use of new toll roads, but I do have strong objections to imposing this as a mandatory system which applies to all vehicles.

Schedule O amends the Mining Act and it provides that its confidentiality provisions prevail over the provincial Freedom of Information and Protection of Privacy Act to protect financial and commercial information. Both the provincial and municipal acts have rigorous exemptions to preclude disclosure of financial and commercial information that should properly be exempt. What this amendment would do would be to remove such information entirely from the purview of the freedom of information legislation and it would make it impossible for the public to scrutinize transactions of public bodies when such scrutiny is necessary and appropriate.

By way of closing, I do believe that the people of Ontario have come to accept that access and privacy are part of the meaning of democracy. Freedom of information is about the accountability of government organizations, and access to general records is one of the public's most powerful tools for exerting democratic controls over public institutions. In challenging times such as these, the public's ability to scrutinize the workings of government must remain a vital part of a democratic process. Or, as was said in volume 2 of the report of the Commission on Freedom of Information and Individual Privacy in 1980, commonly referred to as the Williams commission, and it forms the basis of Ontario's legislation, "To be well governed is to be well informed."

My office has previously provided a set of the amendments that I presented to the committee this morning to the Minister of Finance, to the Chair of Management Board, the Minister of Transportation and to the Minister of Northern Development and Mines, all of whom I understand are responsible for those various schedules.

Our conclusion, in looking at the amendments that are being proposed as well as our suggested revisions, was that they will permit the government to achieve its goal of increased efficiency of operations while at the same time preserving the purposes and intent of Ontario's access and privacy legislation.

I will close by simply urging the committee, I would ask, that you give your careful consideration to the amendments we are suggesting this morning. Thank you very much, Mr Chair.

The Chair: We have 12 minutes for questions. That'll be four minutes per party, and we'll start with the third party.

Mr Silipo: Mr Commissioner, thank you for being here. Your presentation has been very helpful. I want to start from some of your conclusions and work back from there.

Have you had any response to date from any of the ministers you've sent this information to, in terms of any indication that they're prepared to look at any of the amendments you're proposing?

Mr Wright: We did meet with the Chair of Management Board and staff of Management Board Secretariat, but at this point I have not received any confirmation or

any indication of their response to the concerns we've raised.

Mr Silipo: It seems to me that your essential point that goes through this is beyond reminding us, appropriately so, of the purpose of this legislation; it's that if government is interested in streamlining some of these operations, there are—my words—far less draconian ways of doing this than some of the changes being suggested. I think you're concerned that not only do they go too far, but they impede some of the original intent of the privacy information legislation.

Mr Wright: My concern is that the system work as well as it possibly can, and my concerns also come from the premise that there are very legitimate goals that should be achieved with respect to the operation of the Freedom of Information and Protection of Privacy Act.

I see streamlining as being achieved in ways that can in fact take the purposes of the act to the next step, and at the same time not having to increase the costs around the processing of freedom-of-information requests.

Mr Silipo: Just to pursue that point, you say, for example, under schedule E—I'm struck very much by your point here that there are no restrictions on the use of the information collected, when I think even the government would admit that the point of having that provision is not so they can gather information on everyone but that they can apply the toll-payment provisions.

Just coming back from there, you're suggesting under the frivolous and vexatious request—which I have to say strikes a chord with a number of members of the Legislature, certainly as I've heard the discussion, as I'm sure you are aware, even in the last private member's bill debate. But I want to make sure I'm understanding your point.

You're saying there are ways of dealing with issues when particular requesters may be abusing the process without putting into legislation some of these provisions that would limit access to information in a much broader way than is necessary.

Mr Wright: The example we've used in the chart is taken from the Alberta freedom-of-information legislation, which is the most recent that's been introduced in Canada; it came into effect in October of this year. It is indeed directed at the individual as opposed to the request itself. I think our experience over the years has shown that there have been a handful of individuals, one of which I dealt with in August, who indeed have abused the system and have to be controlled, and I accept that. I'm simply saying that I do believe there are other ways of dealing with the problem, which I feel is more individual-requester-based.

1150

Mr Young: With regard to your suggestions on routine disclosure and active dissemination, don't you have any concerns about the fact that information would be published automatically? For instance, people may be interested in finding out how much all their neighbours make or what their mayors spend on lunch and all that stuff, but the fee may act as a minor discouragement. Don't you have any concerns with regard to privacy?

Mr Wright: Absolutely, and I'm glad and I appreciate the fact that you raised it. I guess I've talked about it so often that I've forgotten to add a very important exception to the routine disclosure part of things, and that is that it does not apply to personal information. I agree with you. There are very legitimate concerns around privacy of that kind of routine disclosure.

Mr Young: So you're saying that should only apply to personal information.

Mr Wright: No, it should not apply. It should apply only to other kinds of general government records that normally people would be asking for.

Mr Young: Okay. I was interested in your calling the device for toll highways a tracking device. Can you expand a little on what your concern is?

Mr Wright: Sure. I'm reading the section of the legislation, and what it says is that there will be a validated toll device which must be affixed to the vehicle. That, to me, clearly suggests that the only way that's going to work is if it's emitting something by way of a signal of some kind, and there are various ways of doing that. That clearly is going to be emitting information. It may be that you've charged up that card in some fashion and there's an electronic way of making deduction for travelling on the toll road. For commercial purposes, regular users, that makes perfectly good sense. But it could also be saying, "What time did you arrive on the highway? At what point did you go off?" collect this information and retain it, and then what controls are there around the use of that information as it relates to the individual? It's very easy these days, when information is in electronic form, to share it and compile it and develop profiles of individuals.

Mr Young: I understand your concerns. I don't think they emit any electronic information. You made a comment with regard to all vehicles, but it's only vehicles that would travel on the toll highway that would require that device. Do you understand that?

Mr Wright: Oh, I understand that.

Mr Young: And you're still concerned.

Mr Wright: Yes, I am. One of the difficulties with the job I have is that you look ahead, and the experience, particularly with technology, is that there is something of a slippery slope. Once you start out, we have a situation where there's a device on a car, which I think—I don't know the details; I haven't been provided with them—has the potential to allow vehicles to be located. Once that device is on the car, it doesn't stop being on the car when it's travelling on highways other than toll roads. I guess my obligation is to simply raise the issue of, once it's there, what other potential would there be?

The Chair: Mr Tascona, you've got about 45 seconds for a quick question.

Mr Joseph N. Tascona (Simcoe Centre): I notice in your "frivolous and vexatious" amendment that you're focusing on the role of your commission, with respect to the head. With the government proposal with respect to the initial access in making it frivolous or vexatious, there's an appeal process for the individual. In your amendment, I don't see any role for the individual in the

appeal process because you're making a decision right up front with respect to making a decision on initial access. That troubles me. Have you got any response?

Mr Wright: It would trouble me as well. No, certainly the individual would have to be involved. You would have to take the amendment we've set out in the chart and put it in together with the other sections of the act that are presently there now that deal with how inquiries are conducted by the commissioner, which does involve the individual. I agree with you.

Mr Tascona: That's my problem, because the government amendment gives a role for the individual whose claim's been determined to be frivolous or vexatious.

The Chair: Sorry, I have to stop you there and turn to the members of the opposition.

Mr Phillips: You're raising what I regard as a fairly fundamental principle around the issue of individuals' access to their own information. As I read you, and certainly as I feel, that is a fairly fundamental basic right. The way I read your comments and the bill, we're ending up with two different rights: If you've got the money, you have the right of access to your personal information because you can afford the fees, and if you don't have the money you don't have the right of access to your personal information because you're required now to provide a fee.

In your experience dealing with freedom of information, am I characterizing the right of access to one's own personal information properly as being a fairly fundamental right?

Mr Wright: Certainly it's one of the two fundamental rights that the freedom of information legislation creates. It creates a right of access to what we call general government records, but it also creates the right of being able to find out what government organizations know about you, the information they have about you. That is the second of those rights.

Mr Phillips: And it seems to me that if you begin to put a fee on it, we have two-tiered fundamental rights, if you will, that if you've got money in this province you can access your personal information, but if for whatever reason you don't have the money, you don't have that same right. Am I characterizing this properly?

Mr Wright: I think it's fair to say that the more costs associated with making a request, the more potential there is that some people won't be able to pay those costs.

Mr Phillips: How seriously should we regard this? I regard your brief as quite serious, that we're dealing with something that is central to everyone. And I happen to think it's going to become more important, because government is gathering more and more and more information about you. The bill regarding medical records, for example, is gathering more and more personal information; on the other hand, this part of the bill is putting some barriers up for you finding out what information of yours the government has. How seriously should we take your concerns here?

Mr Wright: I think the Legislature has given members of the public a very important right. They say, "We feel you should know, within certain limitations, what information we have about you." That's probably one of the more basic kinds of right you could possibly have: knowing what someone else knows about you.

Mr Phillips: Did you say we'll be the only jurisdiction in Canada that puts a fee on accessing personal information?

Mr Wright: There are actually two parts to that. We'll be the only jurisdiction that has an application fee to make a request for the information. Some jurisdictions do indeed charge for photocopies of what that information is. There is a distinction between the two kinds.

Mr Phillips: But no one has an application fee.

Mr Wright: No, they don't.

The Chair: Thank you, Mr Wright. I'm sorry, that's the end of the four minutes. We appreciate your having taken the time to appear before the committee.

We're going to, in a second, recess until 1 pm. We have a cancellation at 1:30, so I might take any motions at that point in time.

Mr Cooke: Mr Chair, if I might, I'll just move the motion so it's tabled so that committee members know, and then you'll schedule it when it's appropriate.

I would like to move that this subcommittee recommend to the subcommittee of the full committee to schedule three tax lawyers on Friday, January 19, and that each caucus select one of the three tax lawyers to be invited.

The Chair: So noted. Can we discuss that during the 1:30 time slot?

Mr Cooke: Yes.

The Chair: Thank you. We stand adjourned until 1 p.m.

The subcommittee recessed from 1159 to 1304.

PAY EQUITY ADVOCACY AND LEGAL SERVICES

The Chair: Good afternoon, ladies and gentlemen. This afternoon we have leading off representatives from the Pay Equity Advocacy and Legal Services. Representatives, please come forward. You'll have 30 minutes of time to make your presentation. You might want to leave some time at the end of your presentation for questions, which would be divided up equally among all three parties. As you begin, would you mind please introducing yourself into the microphone for the benefit of Hansard, if you could just introduce yourself and your agency.

Ms Katerina Makovec: Good afternoon. My name is Katerina Makovec and I am the community organizer with Pay Equity Advocacy and Legal Services. This is a community legal clinic that serves non-unionized women in Ontario, providing education, advice and legal representation. We specialize in pay equity. By the nature of the focus on non-unionized women, this message that I'm presenting to you is delivered on behalf of about 80% of working women in Ontario.

I would like to also to ask you to correct, in the first line of my presentation, the name of this committee. I wrote, by mistake, "standing committee on the administration of justice" and by now I know it's the evidence subcommittee of the general government committee.

The main issue that I came here to tell you is that it is, politically, morally, fiscally and gender-equity-related,

simply wrong to phase out proxy method. I am here to speak about the part of the omnibus bill that concerns the proxy method.

The proxy method is a very slow process. It's a generational process of change and it's aiming to finally bring pay equity to workers in jobs that were historically undervalued and underpaid. These are jobs that women typically do, such as caring for children or the elderly, caring for troubled youth or teaching literacy skills. These are jobs that the traditional job evaluation systems were not capable to capture truthfully and were not capable to evaluate based on the inadequate job evaluation systems.

The other issue connected with the proxy method is that the proxy method is allowed to be used only by community organizations or broader public sector organizations that are funded primarily by the government. So it was an obvious follow-up by the government to provide the small financial increments for these organizations. As I mentioned, this is a generational, incremental, slow process. So it's very—just the simple word—wrong to repeal this. The trend to reducing the gender inequalities in a vast section of our society is stopped by the repealing of this method. Again, it's wrong and disappointing.

Under the proxy method, the employees were supposed to received only small yearly pay adjustments for the next many years. Average estimates were about 30 years to reach pay equity at the 1990 rates. I don't know how technically you are familiar with the legislation, but the goal for the proxy was to achieve the 1990 pay rates of the proxy organizations. This wasn't indexed. So the proxy part that you are repealing did not, and does not, include indexation. It's really, really a gesture that is very important but is not very costly. In the majority of cases, it would be the grandchildren of our generation who would fully benefit from pay equity in these jobs.

As I said, the Conservative government is taking away even this minimum and abolishing the trend that brings wage justice to jobs historically discriminated against. This action dramatically hurts both working women and communities. The money the government plans to take away would be otherwise spent on buying children's clothing and food. It is not money that would disappear in the stock market.

Moreover, the Conservative government, in its widely distributed pre-election statements on pay equity, promised to "proceed with the review of the pay equity program required by law to determined if the present approach is effective, affordable and sustainable."

1310

So we are surprised and dismayed and unsatisfied with the approach of the government that you are repealing the pay equity legislation before the effectiveness, affordability and the very existence of it have been reviewed by an independent reviewer who has been appointed and so on. We cannot help but perceive it as a step to slowly abolish pay equity in Ontario, yet another step to burden women of this province.

As most of you probably know, the government has already cut funding to community legal clinics providing advice and representation, so now there is another step: cutting the proxy.

Not honouring the promise to proceed with the review process is another sign of detrimental moves this government takes. It is a hasty decision to introduce to repeal the proxy method before the review has been finished or even started.

These are my general statements. I welcome any and all questions you may have.

The Chair: Thank you very much, Ms Makovec. We're going to start with some questions and responses, starting with the government side. We're going to have about six minutes each.

Mr Tascona: Initially, when pay equity was brought into place, we were dealing with establishments; in other words, achieving pay equity within an employer's operation. The change to the proxy method certainly brought us beyond that, and what the government is doing here is moving back to where we were, which is comparing male and female jobs in the same organization.

The fact is that Ontario's the only jurisdiction to use the proxy method and, from what we've been hearing from agencies, it's become a very difficult process because it doesn't reflect their funding capabilities and also what's out there in the private sector. So I would put to you, by reverting to the original principles of pay equity, how do you feel that the government isn't maintaining its commitment to pay equity and the fact that we have already allocated $500 million to achieve pay equity in the broader public sector?

Ms Makovec: Let me rephrase your question to make sure that I understand you. You are saying that the government has committed $500 million to pay equity and that the repeal of the proxy amendments is a step backwards, that is, something that was not supposed to be done?

Mr Tascona: No, I didn't say that. I guess what I'm saying is that we're returning to the basic principles of what pay equity started out as: achieving it within your own organization. The government's commitment to pay equity in the broader public sector is the $500 million which has been previously stated. I would like to understand what your difficulty is with returning to the basic principles of pay equity which it started out, in light of the fact that we're the only province that deals with proxy method in this country.

Ms Makovec: Can I ask for a clarification? The $500 million for the broader public sector, these are moneys that are being directed towards organizations that were using proxy method or these are moneys that are directed also to public employees? Is this money for public sector or broader public sector employees only?

Mr Tascona: To achieving pay equity in the broader public sector.

Ms Makovec: So it means transfer payment agencies, basically?

Mr Tascona: Yes, and what we're hearing from them is that the difficulty with proxy method is that it doesn't reflect their financial capabilities because it's not accurate or reflective of their size. They're small organizations dealing with much larger organizations, say at a univer-

sity, where the proxy method would be a comparator, and the schedule that was put out. They're finding difficulties in being able to satisfy pay equity within their limited financial means.

Ms Makovec: The limited financial means are provided by the government itself. These are the agreed transfer payment agencies where the government is funding, very often, 100% of the operation of these agencies, so if the agencies do not have money for pay equity adjustments it means the government is not providing it.

The previous government promised to phase in the adjustments very slowly—as I said, it would be a generational process—and now even this minimum is stopped and taken away, which is disappointing. You are talking only about 3% increase and this is it, while the previous financial guidelines promised to pay the 1% increment every year until pay equity is achieved. It could have taken 30 years and our granddaughters would be likely to benefit from the full implementation of this legislation. I don't see it as costly and I don't see $500 million as being capable of covering the adjustments for several generations ahead.

Mr Tascona: Your position is basically that because these transfer agencies are government-funded there should be no limit on the cost to achieve pay equity.

Ms Makovec: There are very slow, minimal increments. My view is that the government can afford to pay these minimum increments for many years to these small organizations where women are predominantly employed and whose jobs have been undervalued by society, not intentionally, but nevertheless. This idea was to remedy the systemic discrimination. I'm saying that it is not a very costly process that you are taking away, but it has a vast detrimental effect.

Mr Crozier: Good afternoon. I wanted to make a comment at first. It's been said today and it's been said in the Legislature and at other times that Ontario is the only jurisdiction which, in this case, has the proxy method. I'm reminded of when I told my daughter at one time that I had to do something because others were doing it, and she asked me, if they all walked off the end of a cliff would I also walk off with them? In my view, on occasion it takes courage to lead, but it only takes a leash to follow. Sometimes Ontario should be a leader.

Could you tell me, how is PEALS funded? How is your organization funded?

Ms Makovec: We are funded by the Ministry of Labour, and the funding is ending at the end of March 1996, at the end of the fiscal year. Our organization will cease to exist.

Mr Crozier: I wanted to get that on the record as well. You don't see your organization continuing with any kind of voluntary contributions? Many of the people you represent perhaps can't afford it.

Ms Makovec: Many of the people we represent, the majority, are women with very low wages. I cannot imagine that our clients would be capable of contributing towards the continuation of the clinic. We may try other ways, but not the clients. The client base is not a base of middle-class women or upper-class women who would be capable of contributing and sustaining an organization.

Mr Crozier: Have you met with the minister for women's issues, Ms Cunningham, or have you any comments from her with regard to the work you do, the way you have been funded and what the future might be of women when it comes to pay equity?

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Ms Makovec: I just came from holidays; I haven't been here for the past month. But I know we have written to all the ministers who are concerned: the Minister of Community and Social Services, minister of women's issues, the Minister of Labour, the Premier. We have presented a huge petition to the government protesting against closing PEALS. We have met with the Deputy Minister of Labour and other deputies. We requested meetings with all the ministers, but right now I'm not sure with whom we got an audience and with whom we did not. We did a number of things proving the usefulness and the successes of our organization.

In September we had our annual general meeting where we presented our annual general report. I can send you a copy if you are interested. Right now we are working on a very comprehensive review of all our files from a statistical perspective.

Mr Crozier: I believe I read some place, and you can correct me if I'm wrong, that under the present method, even then it may take some 30 years to catch up. Perhaps you made that comment, as a matter of fact.

Ms Makovec: Yes.

Mr Crozier: That seems like an awfully long time, even under the current legislation. What do you see as the future with this legislation, as to the length of time when it may become more equitable?

Ms Makovec: I see this as a very detrimental and regressive decision. Pay equity is not only legislation and accounting. Pay equity is a movement. It's a gesture showing that the government recognizes the value of women's work in this province. By having the legislation and also having the legislation as the first one in the world, as you mentioned, is something we have to start somehow and build on it and improve it, not cancel it, not abolish it or repeal it.

For example, we had many delegations from all over the world coming, they came to the Pay Equity Commission, they came to our legal clinic, consulting about the system, consulting about what they can learn from us so they can bring it there. On my holidays I visited also Sweden. Sweden is one of the biggest interest countries on pay equity. It only gives promotion to Ontario and Canada. It's good public relations. It's not, as I said, just legislation and some accounting. It has a far broader effect. For a country which is so young as Canada is, this had been a very progressive step that put the province on the world platform.

Mr Silipo: Ms Makovec, thank you very much for your presentation. I was struck very much, in the initial exchange between Mr Tascona and you, to hear him categorize this as the government returning to the original principle. That's actually the point, and about the only

point, you should know, that was made by the minister this morning. We didn't get a chance, unfortunately, to question him further, but his statement essentially said the Pay Equity Amendment Act will put pay equity for public sector employers more in line with those in the private sector and return pay equity to its original principle. I was struck by Mr Tascona's categorization of that, that it was the initial intent to limit pay equity within the one employer, when I thought that the whole point of pay equity was to try to rectify the historical discrimination that has existed against women in the province in terms of the level of pay they have received.

I'd like to ask you to comment a little more on this. I find it odd that what this government is doing by cutting out proxy is in effect cutting out the ability for women who work not only in some of the areas of caring for children, the elderly and troubled youth, but who also happen to be the lowest-paid women in the province. It seems to be okay for this government that people who work, for example, in the school system can continue to benefit from pay equity, as they should, but that people who work for a children's aid society or a children's mental health centre or a child care centre would not be able to benefit any more from proxy pay equity.

Maybe you could shed some light in terms of some of the people who are affected. Any information you have on that might help the government members understand the discrepancy and the horrendous discrimination they are re-creating by putting into Bill 26 this particular provision.

Ms Makovec: I would see this rhetoric about sticking to the original principles of pay equity, but cutting proxy as something supposedly irrelevant or not the original pay equity intention, as more political words reflecting the political thinking of the government rather than a serious attempt to advance the position of working women in Ontario.

As Mr Silipo said, all the working women who are here to benefit from the proxy method are those who are in the lowest-paid professions. Once I did a survey of the salaries of day care workers, and the women were receiving anything between $5,000 to about $28,000 a year. On the top were women working for Metro day care centres, but on the low end there were women working for day care centres in various church basements for church organizations. It is not fair to expect women to be undervalued, paid less than the proper and correct salary they should receive. Why would it again be women the victims or carriers of the burden that some people are creating, sometimes unnecessarily?

The Chair: Ms Mushinski?

Ms Marilyn Churley (Riverdale): It's Marilyn Churley.

The Chair: Oh, I'm sorry, Ms Churley.

Ms Churley: You've got the wrong Marilyn here. I want that on the record.

The Chair: First names, that's right. I apologize.

Ms Churley: It's Marilyn Churley; I'm the NDP women's issues critic. Although I'm not on this committee today—I'm sorry I missed most of your presentation, but I've read it—I just came in to hear you for a moment.

First let me say that of the many areas we were very shocked about, as the women's issues critic this was quite shocking to me. There are some who feel—and I concur—that many of this government's policies particularly hurt women and kids, particularly lower-paid and single moms and others who are struggling to actually do better and get a leg up. This government said in its Common Sense Revolution that it was going to give people a hand up, and I see this as just the opposite and one of many other policies that are a hand down and a backward step for women.

You touched on the fact that child care workers, for instance, are very low-paid. What would you say is the average pay, or do you know, of the sorts of women workers we're talking about here throughout this sector who would be affected by this?

1330

My second question is, when this runs out—in 1996, I believe, is it?—in 1997, if some of the employers have put off paying the women within that period of time, just sort of keep putting it off knowing that the date is coming soon, do these women then have any recourse? My understanding is, there will be no body to appeal to; that that will be it.

Ms Makovec: Let me start from your second part. You are very right; it is true that the phase-out period, the transition period, is from January 1, 1994, to December 31, 1996. The employer is supposed to pay the 3% over these three years, the amount of 3% payroll, as an increment.

If some employers decide to procrastinate, because they have time—now you have given them time till December 31, 1996, so if somebody decides not to do anything—some employers are excellent but some employers play these delaying tactics. Those who decide to delay till December 31, 1997, and don't do anything, on January 1 the women theoretically would have a legal right to protest or to appeal or to file a complaint. But by then this part of the legislation will be gone, so the employer will be able to say: "You have no legal grounds to appeal. You're out of luck."

This is something that's a big myth or logical error that probably should be addressed even in this course of action that you are taking. The women should not be penalized just because their employers or some of the employers decide on the delaying tactics.

The Chair: Thank you very much, Ms Makovec. We've already gone a little bit over the allotted time. I'd like to thank you for appearing today in front of the committee.

Ms Makovec: Thank you very much. Your second half will remain unanswered, probably.

The Chair: You may want to discuss that with Ms Churley.

Ms Churley: Okay.

Ms Makovec: My name and telephone number are on the presentation sheet.

The Chair: Now I'd like to resume the adjourned debate on the motion by Mr Cooke. I'll read back the motion: "That this subcommittee recommend to the subcommittee of the full committee to schedule three tax

lawyers on Friday, January 19; and that each caucus select one of the three tax lawyers to be invited."

We'll take debate on this and we'll start off with Mr Cooke.

Mr Cooke: I think the motion is fairly clear. I would prefer that we try to do this on the first day of the clause-by-clause, but I'm informed that because of the motion that was passed in the House, that motion would not be in order. If somebody has a suggestion of a better time, I'm obviously open to that, but I think one of the most crucial parts of understanding this debate and developing amendments that will improve the public policy outlined in this bill is a better understanding of what taxing powers we're in fact giving to municipalities. We have to understand that.

I understand the recommendations and the advice that the lawyers in the Ministry of Municipal Affairs are giving the minister. I also know there have been pieces of legislation passed in this place in the past where the lawyers in the AG's office and in individual ministries have not been correct and that changes have had to be made.

More importantly, I'd like to make sure that this is absolutely clear when this bill is passed, because if there are differences of opinion, what's going to happen is that you'll pass a law and that the province will say, "This is the law; this is what it means and we're confident of it," and the whole issue will end up, over a series of years or a number of years, in the courts with municipal lawyers recommending to their councils that they do have the authority to do something, passing bylaws and then having them challenged in the courts, and we'll end up spending a lot of time and a lot of public funds on legal fees.

I think it's absolutely essential that when we're finished this process and we've amended the bill, what municipalities are allowed to do and what they're not allowed to do in terms of fees and licences and taxes be absolutely clear. I think one of the ways of doing that is to get some experts before the committee so that we can determine whether there's a unanimous point of view, as Mr Leach seems to believe there is, or whether there's a differing point of view. If there's a differing point of view, then I think it's incumbent on this committee to amend the legislation to make sure there can be no confusion at all.

Mr Sampson: I'd like to speak to this one just briefly. One of my concerns with respect to this particular motion is, if we're to consume the time on January 19, I think that's our time in Kingston. I'm not too sure my colleague across the road here wants to have an hour or so of the Kingston time chewed up by listening to some advice from legal counsel, who, by the way, could make deputations to this committee any time through the process.

We're travelling to a number of spots throughout Ontario, spending a significant amount of time here in Toronto. It would seem to me that if there are counsel who want to make deputations to this committee with respect to the various tax aspects they choose to speak to, they are free to do so like any other Ontarian who has signed up to speak in front of this committee.

My second item is, as the leader for the third party mentioned this morning, you ask one lawyer for an opinion and you're likely to get three or four. I'm not exactly sure that we're going to clarify the issue by having three further counsel spend committee time in speaking to no doubt three different views as to the various tax aspects of this particular legislation, so I don't know whether we would be further ahead—indeed we may be further behind—should we choose to act on this motion.

The third item is, who pays? No doubt, advice will not come free. I'm concerned that we should go and not only consume valuable taxpayer time, because we'll be taking away from somebody else who will be here from counsel, but consume taxpayer dollars in asking for these opinions. Again I say, should there be opinions that various counsel want to present to this committee, they are more than free to do so in the various time slots that we have, and there are numerous time slots. There are even some vacant today, I see, and I'm sure there will be down the road. They can make deputations at that time.

The final point is that in order to get opinions, you must direct counsel as to what you would like them to look at. I'm not exactly sure we know even right now where we should direct counsel to look; otherwise, they're more than likely to wander through the bill and we're going to end up with a rather costly and confusing result.

I don't know that this particular motion is going to get us further ahead. I would be voting against it.

Mr Phillips: Just on the detail, Friday is probably out of the question, just because I know my colleague from Kingston wants the maximum time and I believe we're heading on to Peterborough that afternoon.

But in terms of the substance of the recommendation, I tend to agree with Mr Cooke. I think municipalities, if they put this piece of paper before themselves January 30, are going to say, "This gives us"—in fact, the compendium talks about "unlimited flexibility to override any existing jurisdiction around charges and fees." This is the language used in the compendium.

I think there is a fair debate that this does indeed give unlimited flexibility, and in the end both the opposition parties will say, We told you so," but it won't do a lot of good because "I told you so" on January 30—I think if I were a municipal councillor I'd pull out the compendium and say: "You wanted to give us unlimited flexibility. You wanted us to have opportunities to make up all the revenues that you think are available, and that's just what we're doing here."

So far, I think there is a fairly strong case to be made that the language used in the bill permits them to do that. I would like to have a lot more comfort that it doesn't.

1340

In terms of paying for our lawyers, I think our party would undertake to simply get someone who's expert in this to prepare to donate their time. In terms of the charge, or instruction lawyer, I think it's very clear. It's just that there is a debate around whether this language—I'll give you the page—permits or does not permit direct

taxes in the form of sales tax, gas tax and income tax: "Can you give us a clearer opinion on whether it does permit any one of those three or not?"

The Chair: Thank you. Mr Cooke, further debate?

Mr Cooke: I think it's a bit much for Mr Sampson to say that it would be difficult to frame the question. As Mr Phillips just said, it's pretty clear what we're all trying to sort out.

The timing of it—I had to put a date in. I'm not hung up on January 19. If the members of the Conservative caucus want to have another time, then that's fine, or if you want to take a look at the subcommittee of this committee looking at which lawyers we should go to and asking for an extensive written opinion. But I think we're acting in a pretty irresponsible way, as a committee, if we're going to proceed with this bill and simply have the opposition saying, "Yes, it does," the government saying, "No, it doesn't," and passing public policy that I think, even as Mr Sampson would admit, is up in the air in terms of whether or not it gives municipalities additional taxing power to that which has been explained by Mr Leach.

I don't think it's overly partisan to say that there has been nothing in the performance of Mr Leach that would give any of the members of the committee—and if the Conservative members were candid they would say it doesn't give them any comfort either that we have in fact ruled out certain powers for municipalities.

In the eighteen and a half years that I've been here, this is not an unusual request that members of the governing party have acceded to. Whether we disagree with certain parts of the bill, we're supposed to be here so that at the end we see a bill that actually is workable.

If this motion is unacceptable, then maybe Mr Sampson can say what would be acceptable. Written opinions, would that be acceptable? A different date, would that be acceptable? There's maximum flexibility on this side as to when and how this can be accommodated.

My God, if we go through the entire process and we haven't got this kind of information, then I guess the message is pretty clear that the government, even though we're having public hearings, doesn't really want to have a clear understanding of what the bill does or doesn't do.

Mr Tascona: I think you may have the wrong type of lawyer that you're looking for here. You might be looking for a municipal lawyer but, be that as it may—

Mr Cooke: He's open to that too.

Mr Tascona: —this is not going to stop. If there's some lack of clarity on the part of the opposition in terms of this particular aspect of the bill, which is dealing with licensing and user fees, certainly the purpose of the hearings is not to go out to the legal community and say, "What do you think about it?" We're here to find out what the public thinks about it. I think the minister has been very clear with respect to his position; the fact that the opposition doesn't accept that doesn't mean that we have to go out and hire lawyers to interpret it for us.

Certainly, any organization that would wish to come before us and say, "We have this difficulty," which we heard today from one organization—"Well, this is one part we don't like"—versus not an interpretation of the particular piece of legislation is of far greater use to this committee, rather than going out and saying, "Let's interpret the act," and we could get as many interpretations as we'd like. I hardly think the exercise will result in a situation which will satisfy certain individuals who will never be satisfied in terms of whether they want to challenge it. And if they want to challenge it, they're not going to be satisfied by each party bringing in their own lawyer. I hardly think it will be.

I think what makes any law work is basically acceptance on the part of the public in terms of whether it's a proper piece of legislation that can be understood. I personally have read the act, and dealing with licensing and tax provisions, I think the explanation provided by the minister certainly satisfies me. To go out and create a subcommittee of lawyers to provide us with legal advice when we've already been provided that by the government resources, to me, is a fruitless exercise and will not resolve the situation in terms of whether the opposition understands the bill or not.

Mr Gerretsen: Look, I've already talked to two municipalities that are not taking a partisan position in this at all. One of them is looking at a gas tax and the other's looking at a potential sales tax. That's a fact. I've spoken to the chief administrative officers myself.

The whole purpose, surely, is to make sure that the legislation stands up, whatever that legislation is. If the legislation is not supposed to do those things, then write it in the legislation. If you want income tax exempted, sales tax exempted, head tax exempted, put it in the legislation. That's the whole point. The point is not how you and I interpret the bill; it's how municipalities interpret the bill out there.

Municipalities, as the minister has already stated, are looking for new sources of revenue and they will, I can assure you, look at everything that's possible that they think the bill allows, and unless somebody actually challenges them on it, they're going to do that, as they should. If you don't want them to do it, well then put something in the bill so they don't. It's as simple as that.

I would suggest that this matter be referred to a subcommittee and maybe they can come up with something reasonable, or at least report back to us.

Mr Silipo: What I just wanted to add to this was a bit of a reminder, I guess, that whatever political decisions are made by the government in its infinite wisdom, given that it has a majority and it can choose whether or not to listen to the advice that we will hear through these hearings from people on the politics of doing these changes, among others, at the end of the day, what we're going to be passing as a Parliament is a law that has to hold up in the courts.

I would think that the government would want to have the best legal advice that it can get in terms of looking at whether its law is going to stand up in court; otherwise, if they prefer to have those issues sorted out and be discovered and ruled through courts a couple of years after they pass the bill, if I were looking at that on a

political level, it would suit me just fine, but I don't think it would suit the government fine. I just find it a bit puzzling, the resistance that we're seeing from the government members, because in effect what's being suggested here is something that, as Mr Cooke has mentioned, has been done traditionally on issues of this nature. I think it's a bit disappointing and discomfiting to see the resistance on the other side.

Again, I would just reiterate what also Mr Cooke has suggested, which is that there's lots of latitude here in terms of how this is done; for example, I would add even in terms of having our research officers come up with names of people who are experts in these areas and for the subcommittee to take a look at that. That's fine.

The basic point that we're making here is there is ambiguity at the very least; even the exchange with the minister made that clear. We can disagree on the interpretation, but I think we would all agree there's ambiguity on how those provisions relate to taxing powers that have been given to the municipalities are written, and it would behoove us all to try to clarify that and to remove as much of that ambiguity as possible. I would think that it would be in the government's interest, as it would be in anybody else's interest, for that to happen. So to support the suggestion that's been made today is really with that very much in mind, and I would hope that a way can be found to accommodate and address that concern, which I think is going to be key to all of us and to the people of the province once this law gets passed in whatever form that it's going to end up being passed.

Mr Hardeman: I guess I have a problem with this morning the minister did say that he had a legal opinion and he was convinced that in fact the legislation does not allow those taxes that are being referred to. The resolution suggests that we should have three lawyers to tell us that, and I find it rather significant that in fact it is three lawyers, that in fact we want three partisan positions. I'm reasonably convinced we will have three different opinions—maybe only two—yes and no. It's hard to find one in between, but in fact, one of the lawyers could very well say that it's somewhere in between, that it might be or it might not be.

1350

Not to pass legislation that does what it shouldn't do or that doesn't do what the government feels appropriate, I think the appropriate method is to go through it. If the doubt is there, then maybe it should be an amendment to clear that up, as the member opposite just suggested, that we sure wouldn't want to pass legislation that doesn't do what we want it to do. I think the minister mentioned this morning that in fact if that was the case, that it could charge those type of taxes, he was prepared to pass regulations that would prohibit that. Maybe an amendment would be appropriate that clarifies the situation that those taxes are not allowed. I'm not sure we need three legal opinions to tell us that an amendment could or could not be proposed to the legislation. So I really think it is somewhat a consumption of time and money for decisions that will not help us in the end.

The Chair: Any further debate? Seeing no further debate, I'll ask for a vote. Those in favour of the motion?

Mr Cooke: Could we have a recorded vote?

The Chair: All those in favour of the motion?

Ayes

Cooke, Gerretsen, Phillips.

The Chair: All those against the motion?

Nays

Hardeman, Sampson, Tascona, Young.

The Chair: I declare the motion lost.

With everyone's approval, I believe the Ontario Separate School Trustees' Association is here and ready to go. We're five minutes ahead of schedule.

Mr Young: On a point of order: Could I request a five-minute recess?

The Chair: Request for a five-minute recess. We'll reconvene at 2 o'clock.

The subcommittee recessed from 1353 to 1358.

ONTARIO SEPARATE SCHOOL TRUSTEES' ASSOCIATION

The Chair: Good afternoon, gentlemen. We're about to hear from the Ontario Separate School Trustees' Association. Welcome to our committee today. You'll have half an hour to make a presentation. You can use that time as you wish. You may want to leave some time at the end of the presentation for questions. I would ask that you all start off by introducing yourselves for the sake of Hansard.

Mr Patrick Meany: Thank you, Mr Chair, and members of the evidence subcommittee of the standing committee. My name is Patrick Meany and I'm president of the Ontario Separate School Trustees' Association and a trustee of the Dufferin-Peel separate board. On my left is Patrick Daly, our first vice-president, who is also chairman of the Hamilton-Wentworth Roman Catholic Separate School Board. On my right is Patrick Slack, our executive director. Seated behind us is our deputy executive director, Earle McCabe, along with Peter Lauwers, our counsel in constitutional matters, and in this instance specifically schedule M, as well as Steven Wilson, a labour lawyer and our counsel on schedule Q. I might add that Mr Wilson was an adviser to the Inflation Restraint Board.

Mr Cooke: Have you got any lawyers who specialize in taxation?

Mr Phillips: Free.

Mr Meany: Thanks, Dave.

Mr Sampson: Does this count for yours?

Mr Cooke: Depends on what they have to say.

1400

Mr Meany: On schedule M of the Savings and Restructuring Act, schedule M is largely devoted to amendments to the Municipal Act. The schedule creates confusion for school boards because it uses the term "local board" in inconsistent ways. As a result, under proposed sections 209.1 to 209.7 of the Municipal Act it is unclear whether municipalities will be empowered to assume a local power currently exercised by a school board under the Education Act. In proposed section 210.4 it would appear that municipalities will be given the

power, subject to regulation, to dissolve or make changes to a school board. Taken together, these changes would appear to permit municipalities to dissolve school boards and to assume the powers given to them by the Education Act.

None of these possible results is acceptable to the Ontario Separate School Trustees' Association, either as a matter of policy or as a matter of constitutional right. And in spite of the constraints of time, I repeat that sentence: None of these possible results is acceptable to the Ontario Separate School Trustees' Association, either as a matter of policy or as a matter of constitutional right.

OSSTA therefore recommends that: (1) the proposed section 209.1 be amended to include a definition of "local board" that expressly excludes school boards; (2) the definition of "local board" in proposed section 210.4 be amended to expressly exclude school boards.

I did not fully explain, I think, for those who may not know who we are and what we support and otherwise, we are representing 53 separate school boards and 600,000 students. We support, as OSSTA, schedule A, being the Public Sector Salary Disclosure Act, and schedule K, proposing section 20.1 as an amendment to the Municipal Freedom of Information and Protection of Privacy Act concerning frivolous and vexatious requests for access to a record. We reserve our substantive comments for schedules M and Q, and I have begun on M. I will go on, and we have it here on page 3, on the proposed amendments to the act.

Schedule M of Bill 26 appears to continue the tradition in the Municipal Act of sometimes failing to clarify precisely what is intended by the use of the term "local board." Examples of clarity include section 83.1, which imposes new rules requiring municipalities to report information to the Minister of Municipal Affairs. The section defines "local board" to exclude school boards. Similarly, section 220.1, concerning user fees, specifically excludes school boards from the definition of "local board."

Sections 209.1 to 209.7, however, use the term "local board" without giving it any definition at all. This raises the question about whether school boards were intended to be included.

Since the term "local board" is not defined in sections 209.1 to 209.7, it seems that school boards were intended to be included, especially when contrasted to section 83.1 and section 220.1 that expressly exclude school boards from the definition. A weak counterargument is that the continual use of the expression "a local board thereof" implies that the local board must be one established by or under the municipality. Since school boards are creatures of the Education Act and not of a municipality, they would be excluded.

The language creates an ambiguity best resolved by the inclusion of a definition of "local board" in section 209.1 that specifically excludes school boards.

If proposed sections 209.1 to 209.7 are in fact intended to apply to school boards, then municipalities would obtain the power to assume, without consent, a local power, including the powers of a school board granted by and exercised under the Education Act as follows:

"'local power' means a power a local municipality or a local board thereof may exercise under any act to provide a prescribed service or facility, including any limitations on the power."

If this result is intended, then OSSTA opposes enactment of sections 209.1 to 209.7. Municipalities are not qualified, competent or democratically elected to administer the affairs of school boards.

This is not to say that municipalities and school boards are unable to cooperate in the provision of services, especially those that are not integral to the educational mission of schools. Examples would include the operation of transportation systems or the maintenance of school grounds. It is the open-ended nature of sections 209.1 to 209.7 that is objectionable, because it would appear to permit municipalities to assume responsibility for the educational mission of school boards. For Roman Catholic school boards in particular, such an outcome is unconstitutional. The assumption of a local power by a municipality would prejudicially affect the rights and privileges of Roman Catholic separate school supporters under subsection 93(1) of the Constitution Act, 1867.

Consideration of a precedent would be helpful. In the case of the Ottawa Separate School Trustees v Ottawa Corporation, 1917, AC 76, the Privy Council considered legislation under which the Lieutenant Governor in Council was given authority to appoint a commission and to vest in it all or any of the powers vested by statute in a school board which failed, in the opinion of the Minister of Education, to comply with its statutory duties. The Privy Council struck down the legislation and made the following comments:

"Their Lordships have no doubt that the powers so given would be exercised with wisdom and moderation, but it is the creation of the power and not its exercise that is subject to objection, and the objection would not be removed even though the powers conferred were never exercised at all. To give authority to withdraw a right or privilege under these conditions necessarily operates to the prejudice of the class of persons affected by the withdrawal."

These words apply with equal force to proposed sections 209.1 to 209.7 of the Municipal Act.

OSSTA therefore recommends that the proposed section 209.1 be amended to include a definition of "local board" that expressly excludes school boards. The definition in proposed section 83.1 of the Municipal Act could be used for this purpose.

Proposed section 210.4: This definition is excerpted here and positively includes school boards. The operative parts of the section would appear to authorize municipalities to dissolve school boards. The conclusion is that school boards are covered by section 210.4.

From a policy perspective, perhaps municipalities should have the authority to dissolve local boards that are their creatures. The same policy consideration does not, however, apply to school boards. As has been pointed out, municipalities are not qualified, competent or democratically elected to administer the affairs of school boards. The policy arguments advanced above against sections 209.1 to 209.7 apply here as well.

OSSTA therefore recommends that the definition of "local board" in proposed section 210.4 be amended to expressly exclude school boards.

This concludes our comments on schedule M of Bill 26 and Patrick Daly will continue with schedule Q.

Mr Patrick Daly: We want to say up front that our association supports the general thrust of schedule Q but feels that it needs to be strengthened in some areas.

Labour costs, as you know, are the largest component of costs for separate as well as public school boards, especially those relating to teachers. Collective bargaining for teachers is governed by the School Boards and Teachers Collective Negotiations Act, commonly referred to as Bill 100. Bill 100 is one of the statutes affected by schedule Q to Bill 26.

To give some context to the scope of the labour-related costs for teachers in separate and public boards, consider that as of January 31, 1994, according to ERC data, there were 127,000 full-time equivalent teachers in Ontario earning, on average, salaries and allowances of $62,639, for a total cost of just under $8 billion.

On top of these salaries and allowances, there are a number of other working conditions in the agreement, such as short-term disability of 20 days per year, which is provided under the Education Act; long-term disability; comprehensive dental plans; extended health plans; and life insurance. Then there are retirement gratuities, which have, as you know, huge unfunded contingent liabilities. There are, in addition, costly provisions defining staffing levels and what is known as planning and preparation, time during which teachers are not available to instruct in the classroom.

1410

When collective bargaining about these and other terms and conditions of employment under Bill 100 reaches an impasse, the impasse is sent to a fact-finder. The fact-finder may make recommendations about the items in impasse. The fact-finding exercise looks very much like interest arbitration. The singular difference is that the award is not binding. The fact-finder report does, however, represent a statement by an adjudicator appointed by the Education Relations Commission which may have very persuasive impact within the community of teachers, trustees and the voting and taxpaying constituency. The prudent course for the parties under the statute is to approach the fact-finding process like interest arbitration, and a 1% recommendation by a fact-finder represents millions of dollars to the local board and the taxpayers of its community.

It is against this background that fact-finders assume responsibility. At the provincial level, each additional 1% that fact-finders recommend and ultimately get implemented represents a cost of roughly $80 million. With their ability to influence grid costs and staffing ratios, their impact is extensive. It is more sobering to appreciate that this is over and above the millions and millions of dollars of expenditures for payments for movements along the grid, which is referred to as the increment.

Schedule Q introduces criteria for arbitrators under Bill 100. There are already existing and different criteria for fact-finders in Bill 100. Fact-finding is mandatory under the bill whereas arbitration is not. The inclusion of different criteria suggests that the Legislature intends different standards to apply to fact-finders.

Our association respectfully submits that: (1) the criteria for arbitrators in schedule Q be amended, as we go on to describe in our brief; and (2) there should be the same criteria for both fact-finders and arbitrators. And although it's not referred to in our brief, we would say the same for final selection offers.

If the criteria proposed in Bill 26 are not to be amended, then, with great respect, the Ontario Separate School Trustees' Association submits that the criteria for fact-finding as they now are should also not be changed.

If I could draw your attention to pages 8 and 9, we outline the specific recommendations we make to amend schedule Q. I'll just indicate the changes in the existing legislation.

Under subsection (1.1), "In making a decision or award, the arbitrator or board of arbitration shall give"—and we've added the word "paramount"—"paramount consideration to the employer's ability to pay in light of its fiscal situation...."

The reality is that we are in a period of declining revenues, especially for the assessment-poor boards that we represent in the province, and as such, this question of ability to pay assumes even greater importance. We have used language similar to that used in the British Columbia Compensation Stabilization Act, which seems to have worked, and we are recommending that the legislation be amended accordingly.

Secondly, in paragraph 1 of subsection (1.1), we've added "and taxation" levels are not increased. We want to make sure that the ability to tax is not taken into account by arbitrators. They need to understand that there is only one taxpayer, whose pockets are not deep, and that the ability to raise taxes should not be seen as a way to finance labour solutions.

The third change is subsection (1.1), paragraph 3, "The comparison, as between the employees and other employees," and we've added "outside the teaching sector." We think the comparison should go beyond school board groups and include other public organizations, and perhaps private, within our communities.

Then, on page 9, we've added section 2, that "Section 22 of the School Boards and Teachers Collective Negotiations Act be amended by adding the following subsections." That relates to our concerns on fact-finding and that arbitration and fact-finding be consistent. We've again used the same criteria, and as I previously said, we didn't speak to the issue of final offer selection in our brief, but we would suggest the same, that all three—arbitration, fact-finding and final offer selection—have the same criteria.

In number 3 we've added that "section 73 of the School Boards and Teachers Collective Negotiations Act be amended by also excluding from its coverage sections 22 and 35 and by imposing a standard of correctness for any appeal of a decision of an arbitrator, board of arbitration or fact-finder pursuant to sections 20 and 35."

We go on at length through pages 10 through 16 to outline the rationale for the changes we've amended. Obviously, we don't have time here in the short time we have to make this important presentation, but we would ask that you please refer to those to give background to that which we've recommended. This is the conclusion of our comments on schedule Q.

Mr Meany: Thank you, Patrick. I think we would be prepared to take questions.

The Chair: Thank you. We have about four minutes for each caucus, starting off with the opposition caucus.

Mr Phillips: Just on section Q, the arbitrator, and your thoughts on this, my understanding is the criteria of ability to pay doesn't exist anywhere else in Canada. At one time it was in Alberta arbitrators and British Columbia arbitrators, but it was taken out, and I gather even in Ontario at one time we had ability to pay for a short period of time and then it was taken out. Do you know why other jurisdictions have removed that as a criterion for arbitrators?

Mr Meany: I'd ask our solicitor to assist me, but we refer on page 12 at length about the issue of ability to pay in British Columbia under the 1982 Compensation Stabilization Act.

Mr Steve Wilson: I can't answer—

The Chair: Excuse me, sir. Please identify yourself for Hansard.

Mr Wilson: I'm sorry. My name's Steve Wilson.

I can't answer why other jurisdictions do what they do. I do know that this statute, Bill 100, suggests the fact-finder consider the cost to the board of the proposal by the party. That's already in this existing statute. But I can't tell you why other jurisdictions have done what they have done.

Mr Phillips: I was told at one time when we were being briefed on the bill that the language "ability to pay" existed in many other jurisdictions. When I asked for the evidence of that, I was told that they were wrong on the briefing and that the language does not exist anywhere else in Canada on arbitrators. I was told as recently as this morning that's the case. Have you got any evidence to the contrary?

Mr Wilson: No, I don't.

Mr Phillips: You also mention in here about the level of service. I think it's on page 13 of your document. The very last paragraph on that page, do you interpret the language in the current schedule Q to mean that arbitrators would have to consider levels of service in their arbitrated award?

Mr Wilson: As it's now written? Yes. As I understand it, the Legislature, if this were to become law, would direct the arbitrator to consider the extent to which those services may have to be reduced.

Mr Phillips: So that the arbitrators under schedule Q in the bill would be required to consider the extent to which they're going to have to cut services if current funding isn't increased. So that, if I can use your area, the arbitrator may say, "We're going to have to increase the class size or reduce the number of teachers in order to accommodate my award."

Mr Wilson: No, I don't think "they" refers to the arbitrators. I know the Toronto Star has written an editorial and given its opinion. I don't think this statute directs the arbitrators or gives the arbitrators the power to cut any services. I think all this bill contemplates is that the employer would arrive at the hearing and indicate, "If you, Mr Chair or Madam Chairperson, were to introduce this change, it will result in the following consequences, the following cut in services." I don't think this section gives that much power to the arbitrator.

1420

We have indicated in our material, however, that the notion is kicking around. If the Toronto Star is able to reach that conclusion, no doubt some arbitrator would reach the conclusion that he or she has that power. We reckon that would be a pretty bad decision if arbitrators get to sit and make those kinds of decisions, with the little knowledge that they have and the time that they have available to make them.

Mr Phillips: Don't arbitrators right now make a decision in your award on the pupil-teacher ratio or the numbers of staffing that you will have?

Mr Wilson: Yes, sir. They do that; there's no end of ways that they can do that, or fact-finders would make those recommendations. But they don't tell the employers what other services they have to cut in order to pay for those increased costs.

Mr Phillips: But arbitrators do determine the level of service at—

The Chair: Mr Phillips, we've come to the end of the time, sir, and we're going to have to move forward to members of the third party.

Mr Cooke: I don't remember these folks ever being this mellow when they were in my boardroom when I was Minister of Education. But just two areas, because we only have four minutes.

I'm actually quite surprised that you're so calmly putting forward the analysis of—it's on page 144 of the bill—the dissolution of local boards. I'm told by the people in the Ministry of Municipal Affairs that, yes, in fact this bill does give the power to eliminate school boards and have municipalities take over that, but that school boards will be protected by being on the list of local boards that municipalities can't take that action on by regulation.

I guess what I'm asking you is, how do you feel about the fact that the only protection that you will have as a Catholic system and your constitutional rights only being protected on the basis of a regulation? It would never even have to come back to the Legislature.

Mr Meany: Mr Cooke, if I appeared calm in referring to that, it was only a matter of good manners rather than of depth of feeling. I feel very strongly, as does all of my association. We could not tolerate this and would have to take whatever was the appropriate action, and we would.

Mr Cooke: So in all likelihood, if this bill passes as it is, you and your organization would be taking a look at questioning and perhaps even taking legal action to see whether this in fact is constitutional.

Mr Meany: We know it's not constitutional. We would have to take whatever means is appropriate, and we would.

Mr Cooke: Now, this act flows out of the economic statement that the minister made. In the economic statement, there was $400 million that was taken out of the general legislative grants. You know as well as I do that there's two areas of the province, Metropolitan Toronto public and Ottawa public, that receive very little in the way of general legislative grants, so this of course means that the rest of the province will be picking up all of that reduction in general legislative grants.

Just out of curiosity, have you been given any assurances by the government that the inequity will be corrected through legislation within the next short period of time so that Metropolitan Toronto and Ottawa will actually be contributing, which would of course require legislation?

Mr Meany: I'll pass that to Mr Daly.

Mr Daly: Although perhaps not in legislation, we've been given every assurance that the cuts will be equitable and fair. We're assuming by that, and have been given assurance, that all boards will contribute, including the negative-grant boards. So the answer to your question is yes.

Mr Cooke: That can't be done without legislation, so I'm assuming then that you're operating on the assumption that the government will be bringing in legislation to claw back money from Metropolitan Toronto and Ottawa.

Mr Daly: Whether or not it's through legislation—

Mr Cooke: Well, it can't be done with a magic wand.

Mr Daly: —and it's similar to that in the social contract—

Mr Cooke: That had to be done with legislation.

Mr Daly: I'm not sure if we saw the legislation that did that, but that's a different issue.

Mr Cooke: It was in the Social Contract Act. Do you have anything?

The Chair: You have about 30 seconds, Mr Silipo.

Mr Silipo: Thirty seconds? Just very quickly, at the risk of being a little provocative, I'm not sure even under the existing provisions, but certainly under the provisions that you're suggesting for arbitration, what the incentive would be for a school board to negotiate if we had those provisions in the bill that you're suggesting should be in there. What reason would school boards have to go to the bargaining table as opposed to simply saying, "We'll just wait and let the arbitrator decide?"

Mr Meany: We have our labour lawyer here. I think I'll ask him to answer that.

Mr Wilson: I think what's happening now is that the big winner in arbitration is the union movement. We've seen the public health nurses picket Queen's Park back in 1985, with Mr Rae promising arbitration to anyone who wanted it. I don't think that what we have proposed here is going to take away the incentive between responsible parties to work out terms and conditions of employment. All this says is that once the decision is made as to how much money is available, that's a decision that should be respected.

The Chair: Now we'll turn to the government side. Mr Young.

Mr Young: With regard to restructuring, I'd really like to get a better understanding of what your position is on confederated boards and how they might help us address the fact that compared to a national average, we're spending $1.4 billion more on education than perhaps we should be.

Mr Meany: The amount that we're spending I believe is related more to what is done in Ontario, which classes are given, junior kindergarten and so forth, than it is to anything else.

With regard to confederated boards, the bringing of the separate boards up the level of spending of the public boards would not save money. The only way I can see that it could be done would be to bring the public board spending down to our level. This would save. I've done this calculation, and multiplying the number of students in the public boards by the approximate $1,000 a year per student that we spend less would save approximately $1.3 billion per year.

Mr Young: Does that mean you're supporting the concept of confederated boards?

Mr Meany: No. I should make it more plain. I was under the impression that you felt that confederated boards would save money, or that somebody had told you that, at great expense, and I was showing that it would do the opposite.

Mr Daly: If I could add to that, the answer is no, we totally would not support them. That's for our constitutional rights to govern. As Mr Meany has clearly indicated, it would cost the taxpayers of the province a great deal of money, rather than the myth that some are putting forward in the public really to disguise the important question in education funding, and that's the inequities in the current funding model that we hope the government will correct.

The Chair: Thank you, gentlemen. I appreciate you taking the time to appear before our committee today.

Mr Meany: Thank you for hearing us.

The Chair: Seeing that there's no one for the 2:30 slot, I'll say we'll recess until 3 pm.

Interjections.

The Chair: All the committee members, please remain in the room. We may have a witness for the 2:30 time slot after all. It seems to be there may have been a mixup with the 2:30 and 4:30 slots.

1430

CANADIAN BAR ASSOCIATION—ONTARIO

The Chair: Thanks to everybody for coming back so quickly. We've had a little mixup in the schedule. The Canadian Bar Association is here to present. Sir, you have half an hour. We'll give you to 3 o'clock—sorry for the mixup—to make a presentation. You might want to leave some time for questioning. I'd appreciate it if you'd start off by introducing yourself for the sake of Hansard.

Mr Michael Bourassa: Thank you. My name is Michael Bourassa and I'm an executive member of the Canadian Bar Association. It's the natural resource

section of the Canadian Bar Association. I'm here today to make a presentation on the proposed amendments to the Mining Act under Bill 26; that's schedule O under Bill 26. I apologize; I didn't know how many committee members there would be. I brought six copies of a presentation, which are being circulated to you now.

First of all, the Canadian Bar Association natural resource section executive is made up of lawyers who advise mining companies, exploration companies and individual prospectors who are active in the industry in Ontario and internationally. Our executive has raised a number of concerns, which we presented to the Minister of Mines in a letter dated December 7. I've included that record in tab 1 to the materials that I've submitted to you, and that will be the basis of the submissions that I'm going to be making today.

I've also included in these materials some of the correspondence, memoranda, press releases from the Ministry of Mines with respect to the proposed amendments. At tab 2 you'll find a memorandum from the minister, the Honourable Chris Hodgson, to the members of the Mining Act advisory committee, and this was dated October 20, which had set out several—

Mr Sampson: Excuse me. Sorry, did you say you had some copies? We don't seem to have any on this side. I'm sorry to interrupt you. We can share over here if there's only one.

The Chair: Go ahead. Sorry for the interruption.

Mr Cooke: Are you going to ignore us? At least one over here?

Mr Bourassa: For those of you who are just receiving your copies now, as I was saying, at tab 1 is a letter which I had sent to the Honourable Chris Hodgson on December 7 on behalf of the Canadian Bar Association, which will form the basis of my submissions. At tabs 2, 3 and 4 are some memoranda, news releases and so forth which were circulated within the mining industry and form the basis of the proposed amendments. Tab 2 sets out the memo of the Honourable Chris Hodgson to members of the Mining Act advisory committee, and I think the stress in that memo is that they were looking for amendments to "remove any sections that cause undue hardship to" the mining industry and that would "impede their business ventures because of unnecessary red tape."

We support any proposals that the government would have that it's coming forth with in that area and we support most of the housekeeping amendments that are set out in tab 3, but the overall amendments to part VII of the Mining Act, the mine rehabilitation provisions, we think are a major amendment. They're very comprehensive and we wish we would have had additional time to review those amendments. Perhaps even if the part VII amendments were included in a separate bill that could be taken a bit longer to review, it would be to our preference, but realizing that's not likely what's going to be occurring, we are going to submit some proposals to you for changes to those particular amendments.

The news release and backgrounder which I've included at tab 4 set out some of the policy behind the part VII provisions. Again, we support the concept that's there. If you look at the backgrounder at tab 4—it's actually the third page in; there are two pages there—it refers to a self-regulating system, which we think is a good concept as a whole, but we think what the proposed amendments lack are necessary appeal provisions that were in the previous act. Without these necessary appeal provisions, it'll lead to unfairness, we think, in the process.

Right now, when mining companies or individuals submit their closure plans to the ministry, there is the ability to appeal the director of mine rehabilitation's decision. We think it provides for a healthy situation where the mining companies have the ability to negotiate that closure plan process with the ministry. If the ministry is provided with the opportunity to just say, "No, this plan is not acceptable," for whatever reason, with no appeal mechanism, then I think it's unfair from the industry's perspective. We'd like to see those appeal mechanisms built in and we've provided for those. We've suggested some changes there.

A good example of that is the financial assurance provisions in the proposed amendments, which are now going towards a self-regulatory, self-assurance type of provision for companies, which we think is a good one. But there is a provision in the proposed amendments where the director can suggest changes to the financial assurance when the financial assurance is not acceptable to the director. There is no appeal from that particular provision. That we find unacceptable and we have made some comments about that in these materials.

We do have some particular concern about the new provisions dealing with mine hazards in the proposed amendments. Overall, again, we support those provisions. I think the object here was to ensure that unpatented claim holders in Ontario will not incur additional liabilities to what they already have. We have certain concerns that unpatented claim holders in this province will be liable for more than what they're already responsible for now.

If I could just take you to the letter which I had submitted to the minister, and that's at tab 1, I'd just like to quickly go through some of the changes that we've called for. If you flip to page 2 of that letter, point (i) at the top of the page, the definition of "mine hazard" refers to "any disturbance of the ground." That, to us, is too vague wording which leaves it open to the discretion of somebody within the ministry, presumably the director of mine rehabilitation, to determine when that disturbance may have occurred. It raises liabilities for unpatented claim holders which they do not now have.

Currently the act provides that an unpatented claim holder would have liability for advanced exploration activities or mining activities. This seems to open up a door for broader liability to unpatented claim holders, and I'm not sure whether that's something the government and the Ministry of Mines really intend to do, because it could lead to more concern of people staking claims, prospectors staking claims, if there's that risk of additional liability.

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That, coupled with the two provisions in part VII—subsection 147(1), for example, talks about the potential liability of an unpatented claim holder for mine hazards

which have been "materially disturbed." Now, it doesn't say in the wording of those sections that it had to have been or it has to be materially disturbed by that unpatented claim holder. It just says "materially disturbed." So it could have happened prior to the unpatented claim holder's tenure of that particular mining claim, and if the wording stays as it is, I think claim holders would be obligated to do some sort of due diligence before ever taking a transfer of a claim, which would be something new. I don't think it's the government's intention here to bring on that additional liability to unpatented claim holders.

The same provision appears in subsection 148(9); again, it's referred to in the letter.

At Roman numeral II on page 2, the definition of "owner" under the act, it's now taken away the exclusion that was there under the existing act where the "owner of surface rights only" was not included in that definition. I think that could lead to some grave error in the sense that in some instances surface rights owners have nothing to do with the mining rights or the mining activity that's taking place on that particular property.

I think it's a question of fact. If a surface rights owner owns the buildings or has had something to do with or had care or control of the mining activities, then there should be some responsibility, but by taking away that wording, I think it's bringing on additional liability to surface rights holders in this province which they don't already have.

I've made a comment about liability of leaseholders. I will pass over that one; it's in the materials that are there before you.

There's a new provision now, under section 150, for the surrendering of a mining lease in certain circumstances. I believe the policy behind this is to provide a window of opportunity for those leaseholders who were forced to convert to lease prior to the amendments to the Mining Act on June 3, 1991, to have the ability to reconvert to unpatented claim status so that they don't incur that additional environmental liability which they never intended to take on.

I think the current drafting is totally unworkable because it refers to the fact that the particular person that's looking to reconvert will have had to have held that mining claim for the full 10 years prior to converting to lease, which is very rarely the situation. Most often the claim will have gone through several hands. It might have been beneficially held by one party and held by another, an option holder. I think it's unnecessary wording. I think all that's necessary to refer to here is the fact that the claim was indeed held for a period of 10 years and the claim holder was forced to convert to lease and therefore now should have the opportunity to reconvert to the unpatented claim status.

Roman numeral V on pages 3 and 4: Again, I set out those provisions in the act which I believe should include appeal provisions. Many of them are what's already included in the act. Some of them are, I believe, additional ones. I think it's fair that proponents, mining companies, individuals, should have the opportunity to appeal any decision of the director of mine rehabilitation. I think that's standard under other legislation. For example, under the Environmental Protection Act you have the ability to appeal the director to the Environmental Appeal Board. It's a fairness provision which I think should be included.

At tab 5 I've set out the suggested word changes to the various provisions of schedule O, which you can take the time to review. Again, it just sets out in detail what I've already set out in the letter, but it refers to the specific wording of the legislation.

It's quarter to 3 now. If there are any questions on that, feel free.

The Chair: Okay, we have about four and a half minutes each, and we're going to start this round with the third party.

Mr Silipo: Just to go back to the beginning of your presentation, the basic point that you are making is that, contrary to what the minister has indicated to you and others, there are in fact a number of significant changes in this bill that in your view warrant not only just further examination, but possibly even separating out and dealing with in a separate bill. Is that right?

Mr Bourassa: That's correct.

Mr Silipo: I wasn't able to follow along with a copy of your presentation, but I wondered if you could comment—maybe you haven't already, but if you have, you could expand a bit more. One of the things we see as a concern is the process to be followed, which the minister himself referred to this morning as changing the present closure plan review process of a mine with a self-regulatory system where we would be basically relying on the company to prepare a closure plan and then have that certified by a professional engineer and a designated financial officer from the company.

That would seem to fly in the face of any outside or third-party or government certification that everything that should be done is being done. I wonder if you could comment on that and give us your thoughts.

Mr Bourassa: I support the self-regulatory proposal. I think there are competent professionals in the industry in engineering firms, geologists, accountants. Speaking from the mining side's perspective, they've been very supportive of the whole rehabilitation closure process and have made contributions and are willing to do what's necessary. The fact that the ministry's requiring it to be certified by a professional engineer—that professional is going to have to put his name on the line. I think it's a workable system. If the government is facing cutbacks and doesn't have the ability to provide the staffing for the full review of these closure plans, I think this is probably a workable system.

I just want to emphasize, though, that the appeal mechanism should be built in, because the act still provides that the director can reject the certified closure plan. My reading of that is that it's to reject on the basis that it doesn't comply with the prescribed form; the concept is that they're not going to go in and review the content itself of the plan. But even then, with the ability of the director to reject it on that basis, there should be the opportunity to appeal if the proponent feels he has complied with the prescribed form.

Mr Silipo: Would it be through that process that we would be able, in your view, to safeguard the rights of the public or the concerns we might have about what happens with problems that come up later on that perhaps aren't noticed at the beginning, which simply by certification may be overlooked in the initial stage of the closing of the mine?

Mr Bourassa: There are public notice requirements, and it's still under the self-policing or the self-regulatory process. The public would get notice of a mine commencement, for example, and in some circumstances advanced exploration. It's the director's ability to decide whether public notice should be given. That's really no change from the present act.

Mr Sampson: Thank you very much for your presentation. You've raised a number of interesting recommendations for amendments. On page 2, item 4, the conversion to the unpatented mining, you say the current drafting is going to be ineffective. How does your drafting deal with the conversion issue from June 1991?

Mr Bourassa: The point I'm making in my proposed changes is that all that should be of concern to the ministry is, was the unpatented claim holder forced to convert to a lease? Prior to 1991, you were able to keep a mining claim for a period of 10 years with an extension for one year, so to the 11th year. In the 10th year, if you were forced to convert to lease—because the option was either convert to lease or let the ground go. It seems to me that should be the only concern: Were you forced to convert to lease and are you still a proponent today? If you haven't contributed, during your tenure, to the mine hazard, you should have the ability to reconvert to the unpatented claim status. Why is it necessary for that particular individual to have held the claim for the entire 10 years? I think that's rarely going to be the case. This provision will be of use to very, very few proponents.

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Mr Sampson: With respect to the self-policing issue, we'll add a component that basically says, in layman's language, that if you can prove you have the financial ability, you don't have to post the bond and do the other components. Do you see any difficulty with that particular amendment?

Mr Bourassa: No, I don't see the difficulty there, because I think a lot of companies could probably comply. But the point I was making earlier is that there is a provision that says if you're in the situation where the company is self-assuring, at a point in time it's still the director's prerogative and discretion to say: "That's not sufficient for us now. Now we want you to submit a bond for $2 million."

Mr Sampson: So it could be that somebody who today was financially capable of self-assuring, tomorrow could not, so the director would say—

Mr Bourassa: Right, and I think it's good. The director should have that ability to say, "Oh, that's not good enough now." Or it could be the situation where you, as in Inco, may transfer to a smaller entity. The ministry would like to have the ability to revisit that closure plan and that financial assurance. But I think you as a proponent should have the ability to say, "We feel that our financial assurance is good enough and we don't think we should have to change," for whatever reason. It's based on the facts.

Mr Phillips: The letter under tab 2 is the first time I'd seen the signal that the government was planning an omnibus bill. It was dated October 20. Are you a member of the minister's mining advisory committee?

Mr Bourassa: No, I'm not, but I'm a member of the Prospectors and Developers Association, so I'd know members on that committee whom I speak with quite frequently.

Mr Phillips: Good. I gather that at the time you were being told this bill was designed to introduce amendments that weren't controversial, just non-controversial matters to clean up things. Am I characterizing it properly?

Mr Bourassa: I think there's a bit more than that. The government, on October 20, talked about the housekeeping matters, which they set out and circulated to industry members. If you look at the news release—I first read it in the Globe and Mail, which would have been right around that time as well—they talked about larger changes to the part VII provisions. Anybody I talked to in the industry didn't realize that there'd be a complete repeal of part VII and new provisions. It's a complete rewrite of part VII.

Mr Phillips: Is it fair to say that these are not all matters that are not controversial and simply are designed to eliminate confusion and clarify, that the amendments we're seeing are more than that?

Mr Bourassa: They're more than that.

Mr Phillips: You said here, "Some of them severely and unfairly restrict activity," on page 3.

Mr Bourassa: That's right. That's basically referring to the provisions on mine hazards, how they could affect unpatented claim holders.

Mr Phillips: How do the people who were participating in this feel, when they thought that this was an omnibus bill, designed to eliminate confusion and what not, and then find that it's more than just an omnibus bill but changes in a substantive way?

Mr Bourassa: I've met with members of the Prospectors and Developers Association, for example, this morning and talked to some OMA members. They're a bit surprised. I wouldn't say they're shocked, but they're a bit surprised at the extent of the changes. I'm not saying that anything has been hidden from them. There has been talk of the proposed changes. The news release talks about the change in the self-regulatory regime. The actual wording of the amendments was not reviewed by the public until they were read into the Legislature at first reading, which is standard.

But once people had had a chance to read that, they thought: "There's a little bit more here than what we were told would be here. We just want to have a chance to review these changes."

Mr Phillips: Has the industry now had a full chance to review?

Mr Bourassa: People have been reviewing it. I've talked to people. There will be submissions this week from the various organizations to your committee.

Mr Phillips: Is there anything in here that needs to be passed right away? We've been told this has to be done by—originally, it had to be done by the end of December; now it has to be done by the end of January. What are the things in here that are very time-sensitive and have to be dealt with by the end of January?

Mr Bourassa: I'm probably not the right person to comment on that. I don't think there's anything here that needs to be done absolutely today, but there are people from the industry associations who can give you some better sense of that.

Mr Phillips: In terms of the amendments that you would like to see made, if for some reason or other the government hasn't got time to consider your amendments and what not, how serious is it if this bill passes without amendment?

Mr Bourassa: I think it's a serious matter. I think there is some liability here, some risks to unpatented claim holders, and it is an unfair process for mining companies due to the lack of the appeal provisions.

Mr Phillips: Have you got any indication from the government whether it plans to incorporate your amendments?

Mr Bourassa: I have had some discussion with some ministry people, and they're entertaining some of them; I wouldn't say they're entertaining all of them. I haven't talked with any of the people at the political level, but we'd like to think they are fair provisions to carry forth what the government is saying it would like to do in terms of promoting mining and exploration in the province of Ontario.

Mr Phillips: The original plan was that the bill was to be passed, actually last week, but by the end of this week. Would your industry have had sufficient time to review the bill, meet with ministry officials and draft amendments by this Thursday?

Mr Bourassa: Not in that time, no.

The Chair: Thank you, Mr Bourassa. I apologize for the confusion at the start of the presentation, but I think you got a good, full half-hour. I appreciate your appearing before the committee today. Thank you.

ONTARIO COALITION FOR BETTER CHILD CARE

The Chair: Could we please have the Ontario Coalition for Better Child Care come forward. Good afternoon and welcome to the committee. You have a half-hour, which you can use as you see fit, but we usually advise people to leave a bit of time for questions at the end. I'd appreciate it if you could introduce yourselves for the sake of Hansard.

Ms Kerry McCuaig: I'm Kerry McCuaig. I'm the executive director for the Ontario Coalition for Better Child Care.

Ms Cheryl MacDonald: I'm Cheryl MacDonald, the coordinator for the Metro Toronto Coalition for Better Child Care. I also sit on the board of the Ontario coalition.

Ms McCuaig: I'd like to thank you for the opportunity to appear here today and to applaud the actions of the opposition parties in supporting the right of Ontario citizens to make their views known on Bill 26.

There are many parts of this bill which will directly impact on Ontario families and their children, but I'm going to focus my remarks on the repercussions for early child care and early education programs.

It's the coalition's view that this bill will undermine, if not destroy, early education and care programs for young children in the province. We estimate that neither Ontario's 25-year-old junior kindergarten program nor quality, non-profit child care programs can survive the cuts when they are coupled with the downloading on to local governments.

Since the July 21 economic statement, the government has taken a number of steps to reduce involvement in the provision of early education and care services, and I list the steps which have been taken to date. But the overall direction of these steps and the statements made by government ministers reflect a general preference for privatizing the care and education of young children. In response to this, the coalition held a public inquiry. The results of that report have been sent to all members of the Legislature; I hope you've had time to review it.

We want to note, though, that with each one of these cuts, the quality and accessibility of early childhood education and care programs was diminished. It took about 15 years to build the child care budget up to what it was, and many of those gains were stripped away in the first 15 weeks of the government. In total, $350 million has been cut or slated to disappear from Ontario's $780-million budget for young children.

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We'd like to highlight one of the previous cuts to illustrate our point that the downloading of care and education programs on to local government will result in their demise. Specifically, we'd ask you to examine Jobs Ontario subsidies. These were the child care subsidies which were 100% funded by the provincial government. They were targeted to families on social assistance. As of October 1, 1995, they moved to an 80-20 cost-sharing arrangement with the municipalities. On October 1, approximately 1,000 of these subsidies disappeared when municipalities refused to pick up their 20% share. As of December 31, another 9,000 of the subsidies will be eliminated. On June 31, 1996, another 3,000 will be discontinued. So that in total, out of 14,000 subsidies, only 1,000 will survive the downloading exercise to the municipalities.

This is a tremendous cut for child care. It represents an additional $83.4 million bled from child care and education services. Most importantly, it affects the neediest of children and it affects different communities differently. Those experiencing the highest child poverty rates, such as aboriginal communities, relied almost exclusively on Jobs Ontario child care subsidies to maintain their child care programs. These were the programs which served some of Ontario's children who are most at risk and these are the programs that are most in danger of closing.

We had to note that these subsidies have melted away virtually unnoticed and without comment either in the Legislature or in the media, and that government representatives still continue to say unchallenged that the government has saved Jobs Ontario child care.

Turning specifically to the provisions of the bill which will impact on early education and care programs, the bill contains a 47% cut to municipalities over two years. Because child care is a discretionary service, municipalities do not have to provide it, and many don't. However, municipalities remain the gatekeepers to child care subsidies, which are the largest part of the child care budget. If they don't put up their 20%, the province gets to pocket its 80% share. Municipalities are now in the process of deciding how to deal with their provincial shortfalls.

Just to give you some examples of what's taken place to date—it's by no means the complete picture, but it does give you an idea of scenarios yet to come. North Bay has the highest proportion of single parents in the region. It's reeling from the closure of the Canadian Forces base. Child care subsidies have been frozen. Criteria for eligibility has been tightened, meaning fewer parents will be eligible for child care subsidies. Per diem rates paid to programs have been reduced. Parents on social assistance and young parents attending high school have had their user fees increased to $46 a month, which becomes a problem when they've had their income cut by 21.6% a month. Program managers report staff layoffs and an increase in vacancies. Two programs serving teen parents have about two months to survive.

In a city like Peterborough, a medium-sized community in Ontario, over one third of the population relies on some form of government assistance. The Jobs Ontario subsidies have been eliminated. There's a 25% vacancy rate in programs. Criteria for parent eligibility has been tightened and programs have cut wages, some by 20%, and yet layoffs still continue.

In Metropolitan Toronto, which is the largest supplier of child care in the province and administers 54 directly operated programs and 22,000 subsidies, one in three children is on social assistance; 25,000 families who meet Metro's eligibility criteria are on waiting lists for child care subsidies. Forty-seven per cent of these families are on social assistance. A child care subsidy means these families will be able to take work, attend school or enrol in job training programs. On December 31, Metro plans to drop its 3,850 Jobs Ontario subsidies. Originally anticipating a 40% cut in transfer payments, Metro had planned to eliminate an additional 8,500 subsidies. It also intends to divest its directly operated programs, tighten eligibility requirements, reduce per diem rates paid to programs, increase user fees to parents, eliminate hot lunches in the programs etc.

So we see that these scenarios are being repeated in municipalities across the province, and when these cuts are coupled with the proposed municipal support program contained in Bill 26 which provides for municipal flexibility in the delivery of programs, there is additional reason for us to have concerns.

The government's leaked plan to scrap the subsidy system and replace it with a voucher system is public knowledge; so is the government's review of the Day Nurseries Act. These developments, alongside the MSP, lead us to believe that the province will give the municipalities the option of using public child care funding for low-cost vouchers. Area offices of the Ministry of Community and Social Services are already instructing municipalities to consider vouchers as a solution to their dilemmas. These vouchers will not be directed towards regulated quality child care. The government document discussing vouchers acknowledges that its plans will eliminate funding to 50% of group care and 67% of home care in the province. The end result will be that cost-shared funding for regulated child care will disappear.

Bill 26 also contains the elimination of proxy pay equity. On average, proxy pay equity has paid out about $1,800 per staff in non-profit programs. The funding was first capped in July and it's eliminated by the bill. But scrapping the proxy pay equity plan has another side to it and it means more than a loss of wages in a profession which is 99% staffed by women. To date it's been the existence of the Pay Equity Act and the proxy amendments which have prevented the provincial government from following through on its threat to eliminate the wage subsidy grant. This grant represents on average about $8,000 a year for child care staff in non-profit programs. It is the only subsidy which brings their wages above the minimum wage. With proxy pay equity gone, the province is now free to move to cut the wage subsidy grant.

Funding for junior kindergarten is also in the bill. Previously, ECE programs for four-year-olds were 100% funded by the province; 85% of the province's four-year-olds attend junior kindergarten. Junior kindergarten is the only ECE program available to the majority of the province's young children. Bill 26 changes this funding ratio from 100% to the rate the province now funds all other pupils, less the 9% cut. School boards will have the option whether or not to continue to provide the program. Just as an example, the region of Peel will go from 100% provincial dollars for JK to 18% provincial dollars, and parents will be left to struggle on a board-by-board basis to retain JK programs in their area, or they may not even have that option. It's also public knowledge that the Ministry of Education and Training is considering dropping all support for junior kindergarten and reducing the current full-day program for senior kindergarten to half day.

There are also plans to privatize child care, and while government ministers and members have consistently refused to meet with the non-profit child care community, either locally or centrally, they have held a series of meetings with representatives of the for-profit child care lobby. This lobby has supported the government's actions, including eliminating the wage subsidy grant, eliminating pay equity, lowering the amount paid for child care subsidies, and restricting child care subsidies to the most needy. It also supports increasing the number of children staff must care for, decreasing Day Nurseries Act requirements for space per child, toilets, sinks, reducing licensing enforcement and fire and health inspections. This sector has consistently lobbied against improvements to the quality of child care. It has lobbied against accessibility for parents. In study after study, it is consistently found that this sector is more likely to deliver poor quality child care than the non-profit sector.

Yet this is the sector that this government obviously favours. We can question the support of government for the for-profit sector. It appears inconsistent with other policy directions where it has eliminated direct public subsidies to business.

We understand that Ms Ecker has been charged with reviewing child care and making recommendations to cabinet. We caution that there may be few recommendations to make, since little quality child care will survive.

Considering the above, it's not alarmist we feel on our part to predict that, if Bill 26 survives in its present form, public funding for early education and care programs for young children could be eliminated in the next six months.

A small lifeline has been thrown the child care community with the federal government's announcement last week to make new public funding available for its long-promised national child care program. With 50-50 cost sharing offered, this is a richer arrangement than Ontario now receives for any other cost-shared program. The federal government is leaving room to allow provinces flexibility to reach agreement to meet their regional needs. It does insist, however, that the child care produced be of quality, that it be affordable and accessible. A condition for receiving new federal money is that current spending levels on child care be maintained.

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We encourage this government to reconsider its course on early education and child care. By continuing to cut and eliminate child care programs, it may deny Ontario families hundreds of millions of federal dollars for their children. If the province cannot accept the federal government's quality conditions, we would then ask that it stand out of the way and allow municipalities who want to build their base of community-responsive child care to make negotiated deals directly with the federal government.

We are also aware that Metropolitan Toronto has reached an agreement to pilot child care funding reform with Mr Axworthy's department. This deal only requires the go-ahead of the provincial government. It requires no financial or other commitment from the province. We hope to see a public announcement on the start date in the very near future.

Finally, we would ask you not to underestimate the willingness of parents to fight for their children's future. The walkout that the coalition organized on November 24 affecting 60,000 children, their families, and 11,000 child care staff is a minor demonstration of parents' willingness to confront government's attack on children. Non-profit child care in Ontario was built and is maintained through the voluntary efforts of hundreds of thousands of parents and child care staff. These parents have made their choice for quality, non-profit education and care programs for their children. Thank you.

The Chair: Thank you. We now have 15 minutes left for questions and response from the three caucuses, and we'll begin with the government caucus; Mr Young.

Mr Young: There are a number of statements in your presentation that I'd like to know where they come from. I'm not saying they're not true, but they're new to me.

On page 4, the second paragraph says, "It is public knowledge that the Ministry of Education is considering dropping all support for junior kindergarten..." Where does that come from?

Ms McCuaig: The Globe and Mail.

Mr Young: Globe and Mail. Okay. Because I work at the Ministry of Education, I'm the parliamentary assistant to the Minister of Education, and I've never heard of it. So I don't know where that comes from.

It also says, "...reducing the current full-day program for senior kindergarten to half day." I haven't heard of that one either.

Ms McCuaig: They were both in Friday's Globe.

Mr Young: In the same paragraph at the top end it says, "...85% of the province's four-year-olds attend junior kindergarten." Can I ask where you got that figure from?

Ms McCuaig: The Royal Commission on Learning.

Mr Young: Okay. And then on page 3 at the bottom, it says: "These vouchers"—these are vouchers for child care?

Ms McCuaig: Right.

Mr Young: —"will not be directed towards regulated quality child care." How can you say that? So far all it is is a discussion. It's not a leaked plan. It's just under discussion, and it has been for years. But how can you make such a statement?

Ms McCuaig: Because that's what the document says, that these vouchers would not be directed at regulated child care, that they would be directed at the parent and that the parent would take the voucher where they wanted.

Mr Young: Can I ask you which document that is?

Ms McCuaig: That refers to the leaked government document on changing the child care subsidy system to a voucher system.

Mr Young: Okay. Well, I cannot comment any further on any leaked documents because I don't know what you're talking about.

Ms McCuaig: Again, it got wide public coverage.

Mr Hardeman: I've just a question on the discussion between the 20%-80% and the fact that the province funds 80% and the municipality funds 20%, and yet there's a grave concern that the municipality—and incidentally the politicians at the local level are the closest to the people, at least it's "common knowledge," that those closest to the people are best in the position to assess what the people want and are willing to pay for. Why is it that, with the 80% in provincial funding, you feel more protected than by the 20% at the local level, that in fact they will decide to get out of child care just to save the 20%? Do you not see that the public and the local politicians assess day care or child care as valuable enough a service that they should provide at the 20% funding?

Ms MacDonald: It's the nature of these cuts presently that child care is delivered at the municipal level. As Kerry said, it's the gatekeeper to child care and it's a discretionary program; it's not mandatory like social

assistance. The nature of these government cuts, when they come down, the transfer—we've seen it federally to the province and now provincially to the municipality—means those local governments are going to have to make some very tough choices.

In Metro alone, they're looking at an across-the-board 25% cut. In addition to the Jobs Ontario spaces which are due to leave in January, it's over half the subsidized child care system. When that happens and then you've got a waiting list that triples, it doesn't make sense to provide child care in the same way and that's the fear, that these are decisions that are going to be made locally on a municipality-by-municipality basis. Some will be better equipped to deal with the cuts than others. We fear that child care in smaller regions, rural regions will be completely destroyed.

It's just the offshoot of downloading. You have all the other pressures and at Metro we have a tax base problem that's creating it's own fiscal pressure. Child care will just be lost in the shuffle because it's a discretionary program.

Mr Hardeman: Further to that, it would seem to me that the intent of the legislation is to provide more local autonomy so that people closest to the electorate, the people consuming the service, are going to make the decisions on the priorities. Why is it that we are so concerned that the day care will not be one of the top priorities in the discretionary field.

Ms Macdonald: Simply because it's discretionary funding. If you're under that kind of fiscal pressure, you're going to serve what you have to serve and any programs you don't have to serve are going to be at risk. It's just the nature of municipal funding.

Mr Hardeman: So your presumption is that the municipalities will get rid of all the discretionary programs.

Ms MacDonald: It's not my presumption; this is what we're being told by the local governments.

Ms McCuaig: There's no doubt that there will be a great deal of pressure on discretionary programs, and just the examples we've given you so far are an indication of the direction the municipalities are moving in.

We gave you this sort of example because Metro Toronto didn't get to be the largest suppliers of child care because—it's because it supports child care, and has traditionally and has a number of leading politicians in Metro in favour of it. But when they are dealing with 40% less funding from the province than they received before, then they're down to making the hard choices, "Do we plough roads, do we maintain ambulance services or do we support child care for young children?

Many of them are making those sorts of choices, but the trend to date, and this is before they're feeling not getting the money—there is the Jobs Ontario example of what has happened where you had 14,000 subsidies on July 21 and less than a year later you're going to have 1,000 left. That's an indication of the trend the municipalities are moving in.

This, we know, fills them with angst. They express their angst to us as they make these decisions to cut child care. We're not in a debate with them about, is child care important? We're in a debate with them about, is there the money to do it under these fiscal constraints?

The Chair: We'll turn to the opposition.

Mr Gerretsen: A few factual questions: How many organizations do you represent?

Ms McCuaig: About 50, ranging from the paediatrics association, child welfare, labour, teachers.

Mr Gerretsen: How many families would be involved in the number of organizations you serve?

Ms McCuaig: We have a section which is called child care programs. They are the parent-run programs. It's 1,700 programs. On average, they serve about 50 families each.

Mr Gerretsen: Were you consulted at all by the government with respect to any changes that affect your area?

Ms McCuaig: Now, we've haven't.

Mr Gerretsen: Have you had any consultation with the government at all?

Ms McCuaig: No, we've written several letters to Mr Tsubouchi and to Mr Harris. We've made just as many phone calls and we have received no response to date.

Mr Gerretsen: What is the average subsidy that a person or a family receives on a weekly basis in the child care programs?

Ms McCuaig: Can I give you a monthly—

Mr Gerretsen: Monthly, sure, whatever time period fits best.

Ms McCuaig: It really varies with the age of a child and with the area you're in. For example, for an infant in Metro, the cost would be about $1,000 but very few families, in fact no families, receive the full subsidy. It might vary between $200 and $400 on a subsidy like that.

Mr Gerretsen: What about a youngster, let's say, three to four years old, before they go into a JK program?

Ms McCuaig: The average cost would be $600; a parent might receive between $300 and $500 a month.

1520

Mr Phillips: I share your concerns. I think that with everything going on, child care is probably one of the areas that will suffer the most. Your first worry is with the Jobs Ontario subsidies, where the province was paying 100%. Now it's moved to 80%, and you're saying that 13,000 of those 14,000, in your opinion, will disappear. You think 1,000 will survive because some municipality will pick up that 20%?

Ms McCuaig: There have been three municipalities that have made the decision to maintain their Jobs Ontario subsidies.

Mr Phillips: So they are picking up the 20% cost.

Ms McCuaig: That's right.

Mr Phillips: What's your anticipation for spaces on the normal 80-20 relationship? Have you had any indication whether those are going to decline or stay the same?

Ms McCuaig: There are 71,000 spaces in the system which are subsidized. The projection is that about half of those subsidies will disappear. Cost-shared subsidies will disappear. Already we've seen to date about $27 million disappear, and that's on the cost-shared subsidies, not on the Jobs Ontario subsidies.

Mr Phillips: That is because the municipalities said they no longer can afford the 20% they've historically been handling.

Ms McCuaig: Right, and they do it by tightening up criteria, by shrinking their waiting lists, by shrinking their number of subsidies, and sort of across the province to date about $27 million has been removed from the cost-shared subsidies.

Mr Phillips: That's roughly 50,000 spaces over the period of a year and a little more—is that right?—35,000 of those and 13,000 of the Jobs Ontario.

Ms McCuaig: That's right.

Mr Phillips: Out of a total of what?

Ms McCuaig: Seventy-one thousand subsidies?

Mr Phillips: Yes.

Ms McCuaig: A hundred and twenty-eight thousand spaces. This is the point that I'd like on the record. Parents are big contributors to child care. This is not a free service. Child care is a $1-billion budget. It creates 25,000 jobs. Governments put in about $500 million and the parents put in the balance. When you cut the public funding, then the parent funding goes with it. When programs close, then that parent contribution disappears as well.

Mr Phillips: That's very helpful. I'm trying to visualize over a one-and-a-half-year period or so what percentage of the spaces we may be losing. I assume from what you said that approximately 50,000 will be lost.

Ms McCuaig: Right.

Mr Phillips: Spaces, is that correct?

Ms McCuaig: Subsidies. Right, and usually when the subsidies go, the space goes as well.

The Chair: We have to move the third party.

Mr Silipo: I just want to say, first of all, Mr Chair, in getting to the first question, my understanding is that with respect to the exchange that happened earlier around a number of pieces of information that you referred to as being in the Globe and Mail, I think all of those pieces of information were in a document that certainly we received—I know members of the media received—from the Ministry of Education. So it wasn't that the Globe and Mail dreamt them up; they actually came from a proposal that was circulating within the Ministry of Education.

I want to focus in on one of the points you make in here around the elimination of proxy pay equity, because I think it would interest you to note that the government's view is basically that there's no big deal here, that all they're doing is simply returning the system to the way they believe everybody understood it would be, which is that pay equity was intended in their view simply to allow for comparisons to be made within the same employer, as opposed to what I think we believe, and I'm assuming you believe, was one of the basic principles of pay equity, which was to ensure that the work women did was paid at a fair level, and that where there weren't ways in the legislation for those comparisons to be made within the same employer, through the proxy method we allowed for comparisons to be made outside of the immediate sector.

I'm struck very much by the numbers you have in your brief where you indicate that $1,800 per staff is the effect of removing proxy; that is, that people's already low wages would drop by about that much.

But then the other thing, and this is what I'd like you to comment a little bit more on, is the link between that and what you see as the next step, which will be the elimination of the wage subsidy grant. Perhaps you could expand a little bit on that and talk about what that would do in terms of both the wages of the typical child care worker and what that does to the system.

Ms McCuaig: The government has made it clear since its election that it wasn't comfortable with the wage subsidy which is being paid to child care staff. They looked at it on a number of occasions, the first being on July 21 around their economic statement. At that time the opinion of the Pay Equity Commission was that the government would be violating its own legislation if it removed the wage subsidy. With the proxy amendments gone, and that is what the majority of child care staff fell under—approximately 14,000 women working in this sector are receiving money due to the proxy amendments.

Now when we look at the average trained child care staff in the province who earns about $22,000 a year, and you remove $10,000 from her income, then you're expecting somebody who is a trained professional to work for $12,000 a year.

Mr Silipo: Last week some of us at the social development committee had a chance to hear from the association of independent child care operators, the for-profit sector. I obviously agree didn't with a number of things they said, but I was struck by one overall observation they had which I'd like to just sort of flag here as well, which was that they, similarly to you, saw that the cuts that the government was making were going to have a pretty dramatic, if not disastrous, effect on the child care subsidies and the child care system. They used Metro as the example, as you do, as one of them in terms of looking at the level of cuts. They foresaw very clearly several child care centres simply having to close. I thought it would be interesting to put that out.

When I pursued with them the issue of why they were none the less proceeding—I think your brief makes the point that they seem very much to have the ear of this government—as to what, when you strip it down, would allow them to operate under what the government is doing and what they would be doing, they seemed at first to disagree and then I think agree that at the end of the day a large chunk of the difference has to do with, in effect, what we pay people who work in the system, so that essentially what they're calling upon and what I think this, through the elimination of proxy pay equity, is on the way to doing is reducing not just the quality of the

system, but asking some of the already most low-paid people to take even less, and that's the way the child care system, according to the government, is going to survive.

The Chair: I'm sorry, but Mr Silipo has just exhausted the time remaining. I thank you for appearing today before the committee.

ONTARIO ENGLISH CATHOLIC TEACHERS' ASSOCIATION

The Chair: Can I please have the Ontario English Catholic Teachers' Association come forward. Welcome to the committee. You have half an hour which you can use as you see fit. We generally appreciate it if you leave a few minutes at the end of your presentation so that we might ask questions. I would ask that you lead off by introducing yourselves for the sake of Hansard.

Ms Marilies Rettig: My name is Marilies Rettig. I'm president of the Ontario English Catholic Teachers' Association. To my immediate right is Greg Pollock. He's an executive assistant on staff. To my immediate left is Claire Ross. He's the general secretary designate for our association.

We're here today, and I thank you for the opportunity to come and speak with you today and make a presentation on behalf of the 35,000 teachers we have in separate schools across this province. I'd also like to say on their behalf that there certainly is a real sense of frustration with the process that was contemplated with the passage of this bill, the expeditious way in which you were hoping to move through this legislative process. There's a sense of betrayal and frustration on behalf of the teaching community that certainly democratic process was bypassed in that you were not trying to seek the fullest possible input from the general public in terms of the implications of this legislation, the ramifications of this legislation, and allowing the opportunity for people to express their concerns and give direction to the government.

1530

I will highlight three different areas for you this afternoon which we would like to bring to the attention of the committee. The first one is in the area of the freedom of information act. Certainly, I think this also speaks for the democratic process which is all so important within our society today, and that is ensuring that citizens of the province have access to information and can secure that information through various processes.

Certainly the changes that are being contemplated we have felt, as members of OTF and one of the five affiliates of OTF, first hand when we tried to secure the information and the compendium that was developed as part of this legislation. Indeed, we went through a very frustrating process in trying to achieve that material in order to try and arrive at getting that material to the extent that a number of phone calls were made, a number of channels were pursued and finally we were told that if we paid $600 the library could reproduce it page by page and that way OTF would secure a copy of the compendium. Certainly there's a real frustration with that and one should not have to pursue those kinds of venues and go through that kind of very frustrating process to secure the information that will have such an incredible impact upon each and every one of us.

Perhaps in contradiction to that and on the other side a reversal is not the securing of information, but ensuring that certain information remains private—this is the second area that I'm highlighting for you—in that the Freedom of Information and Protection of Privacy Act there's a possibility of personal medical records of OHIP participants becoming available to the general public. Certainly, as educators, we have a very grave concern. We think it's totally unthinkable and unacceptable that this take place. Many students in Ontario are also OHIP patients and receiving medical attention for physical or psychological difficulties. Certainly their health records may also be available, and that's something that is completely intolerable.

Our recommendation then to the committee is that the Freedom of Information and Protection of Privacy Act be fully reviewed through public hearings to address concerns expressed by schedule K of this proposed act.

The next focus is on the Municipal Affairs Act. On December 7, OTF and the affiliates of OTF had a press conference and it was during that press conference that I was given the responsibility to deal with the Municipal Affairs Act and as such I raised the concern of the teachers that the far-reaching scope and breadth of the changes would allow the Minister of Municipal Affairs to make changes to school board structures and give municipalities that kind of authority.

Certainly, the response to that within the press and other media coverage the next day indicated that neither the Minister of Municipal Affairs nor the Education minister had any idea of what the implications or ramifications really were. I think that also speaks for the fact that this has to be closely addressed and certainly much more thoroughly investigated.

Moreover, we look to the process that is currently in place. There is a task force, the Ontario School Board Reduction Task Force, that will be completing its report by the end of December. Certainly the passage of this legislation would throw in the face everything that committee has been doing for the greater part of a year.

Moreover, we look at the two reports that were done in the area of Windsor and Essex and Carleton and Ottawa by Tom Wells and Brian Bourns, both of whom did extensive fact-finding reviews of the implications of amalgamation of school boards and indeed the ramifications of those with respect to the children and the citizens of those areas. The response to those two fact-finders alone speaks for the incredible interest and the incredible concerns on the part of ratepayers and parents for this kind of change. This kind of change has to be very carefully contemplated. It has to be contemplated from two vantage points: one, assuring that constitutional rights for separate schools are still realized; and secondly, realizing that you're not just creating another bureaucracy that will be more expensive than the one that currently exists.

So certainly we bring forward those concerns to you and the recommendation that we bring forward is that for the purposes of the Savings and Restructuring Act, the definition of a "local board" under schedule M, section 8, not include school boards.

The third area of concern is that of the public sector interest arbitration. There's a fairly lengthy aspect to my report that deals with public sector interest arbitration cases. As we know, an arbitrator is there to allow two groups to come to resolution of a particular conflict. It is an external, objective person who goes in and tries to assist with the conflict resolution process.

Certainly, arbitrators have stated in numerous findings and in numerous reports that an arbitrator should not make decisions based on budgetary limitations and priorities set by the government, otherwise the arbitrator would not be completely independent, as one always must be. Certainly, the changes contemplated within the act and the regulations as you have them proposed would take that objectivity away and would take that due process away. Certainly, the recommendation that we are coming forward with is one where that is not detracted from and that due process and the process of an arbitrator can continue in the most objective fashion.

The closing pages of our report, although it is not covered within this round of hearings, do reflect the health care area. We bring that forward because we realize that there are profound changes and ramifications of the changes that are currently contemplated, many of which will have a very negative effect on the health system, on health care in general and, most importantly as educators, on health care of the children who appear before us each and every day. Certainly, we wanted to bring forward our concerns as educators for the potential negative impact upon our children and upon the children in our classroom.

In closing, I wish to reiterate our thanks for allowing us to come this afternoon. These are very difficult times; I think we all acknowledge that. As an educator, I acknowledge that and I realize the reality and the new reality that our teachers face in classrooms across this province. They're also very difficult times from a number of other vantage points. However, these times do not justify arbitrary measures and arbitrary processes and arbitrary powers. Those kinds of powers and those kinds of measures will only further inflame a very anxious, a deeply concerned, and a growing cynical group of teachers and greater public. Thank you very much.

The Chair: Thank you. Gentlemen, are there any other additions to that or would you like to go right to the questions? Okay, we'll move right to questions. We have 21 minutes. That allows seven minutes per caucus. We'll start with the opposition party.

Mr Phillips: That's convenient: Everything's divisible by three I find today: 14, 21, 12.

Ms Rettig: We do anything to help you out.

Mr Phillips: Well, 14 isn't divisible by three; 15. That's right.

One of your key recommendations I think we all worry about is that in the bill it is possible, it seems, to eliminate school boards. I think it's your recommendation at the top of page 9. I gather that wasn't the intent of the government in drafting the bill, but we've now heard legal opinion from yourselves, I think from the trustee organization, maybe even from the ministry. Have you had any assurance from the government it's prepared to amend its own bill to make clear that it didn't mean school boards when it was defining "local boards"?

Ms Rettig: No, we've had no such assurances. In fact, when it was first brought up, as you know, there was a query and certainly there was great uncertainty as to whether school boards were incorporated within that. There has been no discussion since that point in time with the government or other representatives of the government. Hence, we are coming forward with this recommendation for you this afternoon.

Mr Phillips: I gather there's another way of doing it through regulation. They just simply say in regulation that they didn't mean it. Our concern on that is that regulation is something that can be done quietly, in the cabinet room, essentially with virtually no public input. How would you feel if the government says, "No, we're not going to amend this bill; we're just simply going to deal with you through regulation"? Is that a serious matter from the teachers' view?

Ms Rettig: We'd be adamantly opposed to it. I think one has to reflect very carefully why one would contemplate these kinds of changes. Certainly, it was quite clear and quite evident from Essex and Windsor and from Ottawa-Carleton. It was contemplated with respect to trying to achieve savings in the long term. Those savings weren't always guaranteed and, indeed, both of those places and the hearings in both of those places give evidence to the very strong concern, the strong sentiment upon local ratepayers as to the kind of structures and regulatory structures there are.

Finally, I guess I also give evidence to the fact that school boards, and certainly separate school boards, are currently guaranteed within the Constitution. I would suggest there's grave concern, and there would be certainly some very dramatic follow-up to that kind of move.

1540

Mr Phillips: I think our concern throughout the bill is that it puts so much discretionary power in the hands of government. It happens it's a Conservative government, but I think all of us would feel equally if it were any other government. In this particular case, I would hope that you would be putting as much persuasive power and pressure—I know you're coming here, but also with the ministry. Certainly, I can assure you we'd be prepared to look at an amendment and be helpful in the clause-by-clause, because I do think it should not be left to a regulatory power to be defining whether school boards do not exist or do exist.

The interest arbitration issue, when we were first briefed on this—and all of this has happened in the last couple of weeks—when we were first briefed on this matter, we were told that the clause "ability to pay" exists elsewhere in other jurisdictions so we shouldn't really be too worried, that it's not a very significant change. We've since found out that that language doesn't exist anywhere else. We were told that at one time it existed in BC and Alberta and has been removed. I think at one time it existed in Ontario and it's been removed.

What is your advice to us, if the government proceeds with that language in the bill, of what the implications are for real collective bargaining between, in your case, teachers and the school boards? I gather it also impacts firefighters and our police organizations and our hospital workers. Is there still going to be real collective bargaining between yourselves and the boards?

Ms Rettig: I'll start and then certainly ask others to give reflection to the answer. I guess, just to preface my remarks, it's twofold: it's not only ability to pay but also the fact that the arbitrator can make a decision as to the employer's need for qualified employees, which is a very grave concern for the educational sector as well.

Does it take away from the collective bargaining process? Most definitely it does. It prejudices the entire process and it certainly prejudices the arbitrative process, where an arbitrator is supposed to come in and certainly be very objective and bring two groups towards resolution.

Both of these, particularly the ability to pay, as well as opening the door for having unqualified employees within schools, certainly take away from that very process.

Mr Claire Ross: I would just like to make a few additional comments. First of all, it's extremely disturbing to find that a government is loading up a legislative package to be blatantly unfair. I think as members of the Legislature, you have to understand a very simple fact of life: If you go ahead and pass this kind of legislation, you have effectively taken from the bargaining process mechanisms of resolution which both sides understand to be fair.

In point of fact, I can't think of any group that would commit themselves to a process that they knew the outcome was prejudicially against them in such a way as to predetermine the outcome. I think what you would be inviting by this process, across this province, would be the kinds of conflicts and strikes that are only going to cause an enormous amount of, not just discomfort, but disruption, in an environment which is already extremely negative and gloomy and so on.

I often thought in previous days, in another life—and I look at David around the table here—that a previous government was taking to itself significant powers, but by comparison, to be honest with you, the powers that are being presumed by this government in this legislation would make what the previous government was doing appear to be rather insignificant and minor. So I say to you around this table that if you move in this direction, you have taken out of the collective bargaining process those pathways of reasonableness that have produced settlements that have been fair to both sides.

The Chair: Thank you very much. The third party.

Mr Cooke: I just have a couple of questions and I think Tony will have some.

I'd like to follow on this. I've been trying to understand better the implications of the changes on Bill 100 that are proposed in this act. I haven't really been able to make up my own mind whether it basically eliminates the right to strike, because in some ways I think you could make the argument, how could a teachers' group ever go out on strike knowing that it's going to go to arbitration and knowing that the deck is stacked against you when you go to arbitration so you're not going to be treated fairly, or whether it's just going to create so much chaos that we'll have more days lost due to strikes in the education system than has ever been the case since Bill 100 came in. I guess I'd like to get a better understanding of what your opinion is.

Mr Ross: My view is very simple. You're going to move into an era of absolute unpredictability and chaos, where the focus is going to be on the nature of the strife rather than the wellbeing of children. It's unthinkable for any government, regardless of political party, to move in the kinds of arbitrary directions that are reflected in this legislation because, quite frankly, people are not prepared to respond.

I think in an environment such as we speak from in the separate school systems, where our teachers have not had a pay increase in at least five years and have suffered significantly in terms of the downsizing, given the historic privation of our system, that to simply put before them a process which has already been stated potentially takes away any rights they may have is not one which is going to bring the teachers of this province onside in support of this or other measures that this government may wish to proceed with.

Mr Cooke: I'm not going to refer to your sections on the Wells report and the Bourns report because I think we might read some different conclusions into those two fine reports, depending on how you read them, but I'd like to just ask a little bit more on the section that does give the power to government to eliminate school boards without ever having to come back to the Legislature.

The only protection besides the Constitution—but that would be a very long legal fight for yourselves and for the French-language community. Have you contemplated what action you're going to take if the law as it's presently proposed goes through, and have you had any legal opinions that would lead you to believe that this in itself would be a violation of the Constitution?

Ms Rettig: We're certainly securing that information. Currently, as it stands, there is grave concern and we have met with legal counsel and will continue to do so in the next number of days to get the most recent input from our legal counsel, but certainly there is very grave concern with the legal implications. Yes, we are moving ahead. We will plan and there will be an active movement on the part of the entire educational community from the separate school community that will express the grave concern and indeed anger of the separate school community with what this government is planning to do.

Mr Cooke: The final question I have is, and I don't think this has been talked about enough, that in the statement in the Legislature that is very much related to this, the budget or the economic statement, there was $400 million taken out of the general legislative grants, none of which applies to Metropolitan Toronto public, or very little, or to the Ottawa public board, which I would say is probably the biggest step back in terms of equity of funding between the systems since we brought in Bill 30 in 1985.

I'd just like to know if at this point you have been able to do any assessment of what the impact of that is going to be, since your system will be hit by far the hardest.

Ms Rettig: The impact—and I'll also refer to Greg, because he's done a lot of work on this, as well as our staff officer—would be potentially devastating. Certainly, the reason it will be devastating is because we are the most grant-dependent boards across the province and the $400 million will hit those grant-dependent boards the hardest. We have no coordinators, consultants, left at the board level. Dufferin-Peel, one of our largest boards, has eight, and no other board has anybody at the board level. We don't have extra resources within the school. We barely meet PTR, and that PTR is the highest in the province.

It will be the same as northern Ontario when other measures were taken a number of years back. They take classroom teachers out of the classroom. We're looking at class sizes of 35-plus, and in northern Ontario in two communities you have not one grade in the classroom but four grades in a classroom. So those cuts will take additional teachers out and will make those four grades in a classroom into five or six, or going back to a one-room schoolhouse, and that's not exaggerating. That's the reality of a small, assessment-poor board in northern Ontario. For that matter, it doesn't matter if it's a public board or separate board up there.

1550

Mr Cooke: Any boards that you know of at this point? Because I recall a fairly—

The Chair: Mr Cooke, I'm sorry. I'm going to have to interrupt. We're into the government caucus's time. My apologies.

Mr Cooke: I'm okay with that if they're okay with that.

The Chair: We're going to go now to Mr Tascona.

Mr Tascona: Thank you for your presentation. Earlier today we had a presentation by the separate school board trustees' association that seemed to take a different tack in terms of the approach taken with respect to the criteria provided under schedule Q. I understand that fact-finding is mandatory under the school boards' and teachers' collective bargaining act and arbitration is not. Given that fact, it would appear to me that free collective bargaining wouldn't be affected, since arbitration is not mandatory. Their suggestion is that the criterion that we applied should apply to—that fact-finding should be included. What would be your position on that?

Ms Rettig: Sorry, could you repeat the last part of that question, that fact-finding should be included?

Mr Tascona: They believe that fact-finding should have the same criterion under schedule Q as there is for arbitration. I'm just curious as to what your position would be on that.

Ms Rettig: Including fact-finding as well as arbitration with respect to that kind of direction would ensure that the whole process would be prejudiced. Most certainly it does negatively affect the collective bargaining process. You're quite right; we do have fact-finding first. We move through the fact-finding process, arbitration comes in, and certainly it's hoped that arbitration comes into effect either before there's any kind of sanction taken or it will end a sanction situation. So looking at the time frame and the implications of arbitration and the use of arbitration, it certainly does prejudice the collective bargaining process.

Mr Tascona: You mean in terms of prejudice that free collective bargaining could be affected, and you're also concerned about the independence of the arbitration process?

Ms Rettig: Precisely.

Mr Tascona: I'm curious also, in terms of the fiscal situation that would affect separate school boards in terms of the funding they do receive, how ability to pay cannot be a relevant factor in an arbitration.

Ms Rettig: Certainly it hasn't been the most significant factor. When you take a look at the kinds of gains that our teachers have made and the kinds of conditions that our teachers currently realize in the classrooms, there is a radical difference between the two. I recognize that. It's a cause-effect. Currently, our teachers have much larger class sizes and certainly haven't got the resources available to them, but allowing an arbitrator and giving them that as the evidence that can be used in a finding will ensure that that kind of radical difference will always continue to exist. That can't be the case for our teachers in separate schools across this province.

Mr Tascona: Do you care to add anything else in terms of the ability to pay?

Mr Ross: I'd like to make a comment. I'm glad you raised the issue, because you have alluded to the two-tiered system of education which we have in the province of Ontario. We belong to the assessment-poor, and we're getting poorer. As David Cooke just said, when those legislative grants are cut, the $400 million is coming from the poorest of the poor. If we talk about ability to pay, quite frankly, we've more than paid at the office since 1867.

What's going to happen when you apply this latest round of cuts, exempting, of course, the richest boards in this province—you can understand the kinds of devastation that we're going to be faced with. I would hope that you would with some sensitivity begin to recognize the potential for harm there is to the separate school system, to our students and to our teachers, and the potential this has to cause the kinds of unrest that we haven't seen in a long period of time.

Mr Tascona: But you do accept that ability to pay is a relevant factor in any decision made by an arbitrator when dealing with wages and cost of labour.

Mr Ross: I think the very reality of our schools reflects the funding basis on which we have stood for these long periods of time. I think the point that's being made is simply this: that surely around this table we're not arguing to put in place a legislative façade which would make it appear as if there is a reasonable path to resolution which is fair when in point of fact it's not only prejudicially affected by the funding base of the employer for whom we work; it's also prejudicially compounded more negatively by the kind of legislative basis of the process itself that you're asking us to become a part of.

Mr Tascona: I note that, but in your brief you dwell on arbitration awards but you don't dwell on what you just commented on. That's why I asked the question.

The Chair: I have Mr Hardeman, and you might want to go quickly because I also have Mr Young on the list.

Mr Hardeman: It has been talked about the school board being a board that could be dissolved by municipalities. The minister spoke this morning and suggested that this was not the intent and that in fact he would exempt them by regulation, and as it's pointed out, your position is, and others before you have stated, that that would not be sufficient, that it needs to be in the act. In legality, and it was talked about, what would one do, if in fact it would seem to take away the constitutional right to have a separate board—why would regulation not at that point in time at least protect that constitutional right?

Ms Rettig: I'll start and then certainly ask my colleagues to also give their insight and their input as well. But certainly putting into regulation would facilitate a change and that change could be facilitated much more quickly. So certainly the constitutional rights and guarantees could not be afforded if it was changed and incorporated in regulation.

Mr Ross: Regulation is a very low standard of legal protection. It can be changed in the inner sanctums of the cabinet by a simple fiat of this particular group, and we certainly know that the constitutional rights of separate schools are not based upon that kind of surety.

I think also from the point of view of the public systems that there is considerable fear, given the kinds of themes being expressed in the Golden report and others, that certainly municipal councils and God knows who else would dearly love to get in and take over these structures, obviously on the pretext that they can do better.

Mr Hardeman: If I could get one step further on the issue, why would this fly in the face of the report that's coming out on the reform of the school boards? Why would this legislation prohibit a good look at the report coming in from that and taking those recommendations as opposed to going in the direction of letting municipal councils take over?

Ms Rettig: Certainly one would have to contemplate the substance and the nature of the report that's coming forward from the Ontario School Board Reduction Task Force. But certainly they have done an intensive amount of work. That work has transpired over the last winter, February right through till December, almost an entire year. One would anticipate and contemplate that when that report is coming forward, one would receive the report, and upon receiving the report, recommendations would evolve and would come out based on that report and the investigation that had taken place.

It certainly was quite apparent that when school boards were incorporated within this part of the proposed legislation, that wasn't being done. These recommendations and reforms were coming forward; there was a potential for the changes to take place without any kind of contemplation with respect to why any kind of amalgamation should take place or why any kind of jurisdictional change should take place. Certainly, that is why we express that grave concern.

The Chair: Thank you very much. That's exhausted the half-hour. I would like to thank you for appearing before the committee today.

CITY OF MISSISSAUGA

The Chair: Could I call on Mayor Hazel McCallion to come forward, please. Welcome, Mayor McCallion. You've got half an hour today for a presentation. You can use that half-hour as you see fit. Most presenters leave some time for a question-and-answer session.

Mrs Hazel McCallion: Thank you very much, Mr Chairman and members of the standing committee. I'm happy to be here today. As mayor of the fourth-largest city in this province, I'm very delighted with this bill as it applies to municipalities.

We've had a noose around our neck for years under the Municipal Act. In fact, the province has treated us as children. Quite honestly, I think we've grown more as responsible adults than the province has. Therefore, it's very important that we have something that will give us the flexibility we need. The large urban centres of this country have taken a leading role in trade and many aspects, and I think we've proven ourselves.

1600

Secondly, as the province has been cutting back for years in grants to the municipalities—it hasn't just happened this year; I've seen the educational grant go down quite considerably and I've seen other grants go down—at the same time we have never had the flexibility or the opportunity or the responsibility, because of the Municipal Act and because of the way in which we've been treated as children, to deal with our revenue base.

As municipalities we've really been relegated to working under a Municipal Act that is very antiquated. The former government felt it was antiquated and the government before that; we've heard about it but we've seen no action. This government, at long last, is going to take action on it.

The municipal government is the closest to the people, I can assure you, and I want you to know that if we don't do what we're required to do as elected people, we have an election every three years; you folks decide when you want one. We have no decision in that. We come up regularly, on a three-year basis, to be judged by our taxpayers as to whether they like—

Mr Cooke: We are willing to go for that. If that's a recommendation, we are willing to go for it.

Mrs McCallion: No. We'd like four years, actually, Dave.

Through the bill, I believe that municipalities are recognized as a viable and responsible level of government and are given the flexibility to be more innovative in delivering services. You can't cut us back in grants and leave us with the only revenue generation that we've had over the years. That's why we in the city of Mississauga have gone to user fees. This is nothing new, that you're going to give us the right to user fees. We feel that if the people in Mississauga did not like the user fees

we've implemented over the years, we wouldn't be there. It's a simple as that.

I understand there's a big discussion over whether a municipality will use a poll tax. Well, in a municipality that decides to do that, the people will look after them if they're not happy about it in the next election. It's a simple as that. It just says they do, as they did with the last government in Ontario. If they're not happy with you, they have an opportunity to throw you out. I'm very delighted with it. It gives us a flexibility in the services that we grant.

There are those who do not believe in user fees. Well, you have one of two choices: Bury the cost of the service in the total tax bill and keep the people in the dark; or be up front with them, tell them what the service costs and tell them what contribution they're making towards it. So when some mayors say they're going to start user fees, I say, "Well, catch up with Mississauga."

The argument is that user fees and other taxation—if a municipality puts in user fees and then increases the taxes, I would suggest to the taxpayers they take a look and maybe they don't need those people as their representatives. Maybe that's why Mississauga has not raised taxes for five years, and one year it even gave a 1% reduction in the taxes, because we do increase our user fees on the basis of inflation and we gradually bring them up.

In fact, to give you an example, we do charge for the adult use of soccer fields, baseball diamonds etc and this year we thought we'd look at the implementing a user fee on the minor sports. Well, I'll tell you we heard from the minor sports people in no uncertain terms. We did not implement a user fee for minor sports, but you know what we got through the process? We got greatly reduced maintenance costs because they were prepared to put in some voluntary work. Isn't it interesting, you see?

So if the elected people do their homework, then I can assure you they're not going to put in a user fee that the people don't want, but you give the people a choice. You give the people a chance to get involved in providing the service if they wish to.

I understand that the bill also allows privatization. We privatized our collection of garbage for 15 to 20 years. Some municipalities close to us are only waking up to that, and we get an excellent price on our garbage collection.

In regard to the utilities, giving us the right to sell it, we looked at the privatization of Mississauga Hydro. We found out, for one thing, that it needed the approval of the city of Mississauga but it also needed a referendum. I like the idea that we can have a referendum if we want to, or we don't have to have a referendum—again flexibility dealing with us like adults and not like a bunch of children.

Sometimes this Legislature acts a little bit like that. Somebody said, "They act like children." I said, "Don't insult children, please."

Mr Cooke: I've seen some good council meetings, Hazel.

Mrs McCallion: Not in Mississauga, David.

Mr Cooke: Oh, no, I know. No. Everything's okay in Mississauga.

Mrs McCallion: You talk about Windsor.

So we support the bill. There's only one thing that we would say. I remember, when we did the transportation of dangerous goods by land, air and sea at the federal level after the Mississauga derailment, that the act is about this small and the regulations are this big. Therefore, when the regulations come out, which will give the details, we certainly want to be involved, I'm sure the Association of Municipalities of Ontario want to be involved and we will look them over very carefully, as we should, and try to make—we're delighted with these arbitration decisions.

You know, negotiating with those that are binding arbitration is just fun. It's an act really, because if they go to arbitration you know who's going to win. It doesn't take into account the financial status of the municipality. But there's one thing, I think, lacking in that: They can't increase taxes. If they looked at the city of Mississauga when we have $400 million in reserves, I'm sure an arbitrator would think that maybe we have a lot of money around now, but all of it is allocated; all of it is clearly added.

We don't have any sick leave plan that is not funded in the city of Mississauga as we find out that the school boards have. We don't have that; it's all funded. We set aside money every year to cope with what we will be required to pay out of the sick leave fund.

We would hope that it might be added. I know AMO has made some slight recommendations that I'm sure will be done. But I believe that this bill will give the municipalities the right to manage their affairs.

You know, the public is completely confused as to who is responsible for what. I think the time has come that the public is demanding a clarification and a definition of the roles of all levels of government to make sure they know who is charging them for what and that therefore they are accountable so they can get to them. They get to us, I can guarantee you that, whether it's a provincial issue or otherwise.

I want to say that we support, I support, Bill 26. There are going to be problems; there were problems when we didn't have Bill 26, and there are going to be municipalities that possibly will misuse Bill 26. But I think it's time you gave the responsibility to the municipalities to see whether the municipalities that don't wish to follow the rules are prepared to take the chance.

I notice that the bill is also making elected people responsible for bad decisions. I don't see anything wrong with that.

I also am very pleased to see that all public servants who earn over $100,000 must be publicized. Great. I'd like to know what the presidents of universities get; I'd like to know what the administrators of hospitals get. I have no problem in publicizing what our commissioners and city manager get. I think the public should know. It's their money. The corporation that pays everybody knows, so why shouldn't the public, which are the stakeholders,

which are the taxpayers, know what their public servants are getting? I have no problem with that at all.

What this government is doing is getting the noose from around the necks of the municipalities in Ontario and giving us the freedom and the opportunity to display our ability, because quite honestly, I don't think the municipalities are as far into debt as the province of Ontario is, so maybe they have been rather responsible in their administration. I can assure you, and I want you to know again, that Mississauga has no debt in spite of the recession and in spite of the growth we've had, from 220,000 people to 560,000 people in the last 10 years.

I'm open for questions. I think it's great.

1610

The Chair: Thank you very much for your presentation. We've got 18 minutes, six a side. We're starting with the third party.

Mr Cooke: This is the first time in at least 10 years that I've heard Hazel come and say something really positive about provincial government.

Mrs McCallion: You never gave me the opportunity. This is the only government that has.

Mr Cooke: We used to communicate out our windows. You'd yell from Mississauga and I'd yell from downtown and we'd hear each other that way.

I guess I want to get a better understanding, briefly, of what you mean by "flexibility," especially when the Minister of Municipal Affairs comes before the committee today and says, "They can do this, this and this in terms of user fees and licence fees, but if they bring in a poll tax or they bring in a type of user fee that we don't agree with, we have the power under this act to stop them, and we will."

I don't know if you know that's what he's saying, but if that's what he's saying—and read Hansard from this morning—would you then still feel that you're being treated as an adult, if you know that the Minister of Municipal Affairs will be looking over your shoulder and all the others, and if you do it wrong, then he will step in? It won't be your ratepayers, Hazel; it'll be the Minister of Municipal Affairs who'll say that you're wrong and he's going to stop you.

Mrs McCallion: I have no problem in him looking over our shoulders.

Mr Cooke: And stepping in and stopping you?

Mrs McCallion: In fact, we could set some examples in the province.

Mr Cooke: I'm talking about if you bring in a poll tax. You said a few moments ago that if a poll tax is brought in by a municipality, it should be able to do that and it will suffer the consequences with the voters. Mr Leach has said no, that he will stop you. I don't understand how that is a mature relationship between the municipalities and yourself.

Mrs McCallion: You folks brought in a reverse poll tax when you approved basement apartments. In fact, you added a lot of people to our responsibility.

Mr Cooke: Hazel, let's not fight old wars. You won that one.

Mrs McCallion: No, we didn't win it.

Mr Cooke: They're changing that too.

Mrs McCallion: Well, thank God. I'll tell you what you did to us—

Mr Cooke: All right, I can see where this is going.

Mrs McCallion: I'm not even going to argue. Holy Christmas. You just added—

Mr Cooke: Give me an idea, then, if you can—you don't want to answer the question, so that's fine. Let's go to the question of—

Mrs McCallion: If he doesn't like a poll tax, then I think the minister should, because there may be some other ideas that municipalities will come up with that are not acceptable to the province.

Mr Cooke: All right. So he's going to loosen the noose.

Mrs McCallion: It goes through a process.

Mr Cooke: He's going to loosen the noose until he really wants to pull it tight again. Can you give me an idea—you've studied the bill extensively and I'm sure you've looked at—

Mrs McCallion: No, I haven't.

Mr Cooke: Your enthusiasm here today would certainly give us the indication that you've studied it.

Mrs McCallion: I very carefully said to you, Mr Cooke, that the regulations are the key. This bill says things. Wait till the regulations come down, in which is the detail. Our staff will be glad to look and so will, I'm sure, AMO be glad to look at the details of the bill.

Mr Cooke: Based on the bill, you are giving enthusiastic support of it—

Mrs McCallion: On the principle of the bill I say it's great.

Mr Cooke: You're giving enthusiastic support to the bill.

Mrs McCallion: Yes.

Mr Cooke: I'd like to know at this point what you are thinking, in terms of user fees and licensing fees in Mississauga, that will liberate you and your council and the people of Mississauga.

Mrs McCallion: Every year we look at our user fee policy.

Mr Cooke: Which new ones, under this bill, are you looking at?

Mrs McCallion: Which new ones are we looking at? We're not looking at any right now. We're not looking at any right now because we just haven't gone through our budget process for 1996. We will—

Mr Cooke: But when you do, you must have some idea of the types of user fees or licensing fees that you'd like to look at.

Mrs McCallion: The one thing we would like to look at very definitely is licensing fees, definitely.

Mr Cooke: Give me an idea of what you're talking about.

Mrs McCallion: For instance, licensing a company that has an office in Toronto and comes out and provides

its service to the city of Mississauga and we have no control over it.

Mr Cooke: Give me an idea of what type of business you might be talking about.

Mrs McCallion: One that we have a lot trouble with now is flower distributors—the gentleman in Toronto has given problems to all municipalities in the greater Toronto area—and another is photographers.

Mr Cooke: So he operates in Toronto but provides a service to the people in Mississauga. How would you then tax him?

Mrs McCallion: We will decide to license him if we wish to. If we want to control them, if they're out of control, we will decide to license them.

Mr Cooke: So if you have a flower business in Toronto and you deliver in Mississauga, there will perhaps be a fee for delivery in Mississauga.

Mrs McCallion: No, it's when they come out and operate in Mississauga that we will—this one happens to operate in an illegal way. He brings flowers out and puts them on our boulevards and sells them.

Mr Cooke: Are there any types of licensing fees that you have been looking at?

Mrs McCallion: Until I talk to my citizens, I'm certainly not going to discuss it with this standing committee.

Mr Cooke: Okay. I'm failing to understand why you're so enthusiastic about a bill that you don't intend to use.

Mrs McCallion: Oh, Mr Cooke, I will use it.

The Chair: Thank you. We will now turn to the government caucus. I think Mr Tascona would like to lead off the questions.

Mr Tascona: Your worship, I'd just like to ask you a few questions with respect to the interest arbitration provisions. The ability to pay, we put out the criteria, the five factors. We're heard some submissions today from different groups, one particularly, the Ontario Separate School Trustees' Association, that feel we should make the ability to pay the paramount consideration in the decision of an arbitrator. I know that would impact you under firefighters.

We've also heard from groups that say that arbitrators have said that the ability to pay is not a relevant factor. Do you feel that the measures that the government has taken with respect to the criteria are sufficient, or should they be strengthened somewhat to make sure that arbitrators respect the ability of a municipality to pay?

Mrs McCallion: Yes, the ability to pay, and we would like to see added to that, not increase taxes as a result of the arbitration decision. It's the same. We agree with AMO's position on that.

Mr Hardeman: Madam Mayor, I just wonder on the user fees, is the main reason they're put in in Mississauga based on the fact that it's the appropriate way to pay for the service, or are they put in to avoid raising taxes?

Mrs McCallion: It was put in to avoid raising taxes, yes, and secondly, it makes people more responsible. I don't want to touch the medical situation that this bill covers, but the time has come when I think when you go to a doctor's office, you should sign something that you were there.

In my opinion, we put user fees in to reduce the costs of the maintenance of the service we provide. In many cases it doesn't cover the full cost, but it makes the person responsible. Let me give you an example: The region of Peel surcharged the water bill with the sewage charge. In other words, the sewage surcharge that we put on was buried in the tax bill.

As soon as we surcharged the water bill with the sewage charge, the people that wasted water either smartened up or continued to waste water, because now they get a sewer surcharge on their bill, and the people who conserved water gained from it because their bill therefore wasn't surcharged as high. So it gives users of the service the ability to control what they use.

Secondly, I heard a mayor say that they didn't believe in user fees. What is a transit fare but a user fee? I don't know. It certainly is a contribution only towards the cost of transit, but it's a user fee. In other words, I guess we could bury the transit cost into the tax bill. We could bury everything in the tax bill. What we're trying to do is make people more conscious of the service they get and what it's costing.

For instance, I don't support—here's a user fee we're looking at, Dave—I'll give you a good one: charging for garbage collection. I don't agree with it. Do you know why? We'll have garbage all over the place and we've got a lot of vacant land in Mississauga. So here's one we have looked at in the region of Peel and we say, "No way." We don't need the province to tell us that, I can tell you. We're going to make that decision because we'd have a real problem with charging for garbage.

Mr Hardeman: Madam Mayor, we happen to have a user fee for garbage collection and we don't have any more garbage than we had before, but that's another story.

Mrs McCallion: You're lucky.

1620

Mr Hardeman: There's been some concern expressed about the fact that the municipalities will not take their role seriously; in fact they will put on unfair charges and will charge for things they shouldn't. Obviously, you've been—what shall we say?—involved in municipal government for some time. Mississauga has taken a somewhat different approach than some municipalities. You have implemented more user fees and have worked on a balanced budget for some time.

Do you have confidence that your colleagues in other municipalities will treat this extra autonomy responsibly, or would you have a concern that the province should hold the reins tighter in some areas in order to avoid municipalities making mistakes?

Mrs McCallion: In fact that's where the minister comes into it, if a municipality is irresponsible, and I'm sure there are municipalities that could end up being irresponsible. There was irresponsibility in the establishment of lot levies in this province, and that's why the government had to bring in legislation.

We operated without legislation on lot levies for years because we justified what we charged, but there were some municipalities that just pulled figures out of mid-air and said, "Ah, we'll have a good time here getting the developers." They brought in irresponsible levies, and so the province had to step in and give us legislation.

That's where the province has, when a municipality—I can't speak for my colleagues; I can only tell you that the large municipalities of this province surely will take responsibility and will consult with their people, as we did on the minor sports, and found out that it wasn't acceptable, but we got a deal as well. We got some more voluntary involvement in the maintenance of fields, so we reduced the maintenance costs by about 50%.

The Chair: Now to the opposition. Mr Gerretsen.

Mr Gerretsen: It's always nice to dialogue with my former colleague Mayor McCallion.

How much money is Mississauga losing as a result of the new grant arrangements?

Mrs McCallion: It's $3.5 million over two years.

Mr Gerretsen: It's $3.5 million. Do you hope to raise that by way of increased user fees or licensing fees?

Mrs McCallion: No, we will not do it by user fees or raising taxes. We will find the efficiencies to cope.

Mr Gerretsen: When the minister was here earlier today he initially had said, "Yes, everything is a go situation," then he said, "Well, if there are unfair fees," according to his definition, "or any fee that the province doesn't like," they'll rule it out by regulation. Are you not a little bit concerned that the province can just step in at any given moment and say, "Look, we don't like that particular user fee or that licence fee and we'll just cut it right out"? That doesn't sound to me like a true partnership with the municipalities, does it?

Mrs McCallion: I guess what you're indicating is that the provincial government is not responsible, and sometimes I think it's not. You're saying that at the drop of a hat they would step in.

Mr Gerretsen: Regardless of what you may or may not do in Mississauga, do you not agree with me that the direct taxation provision in the act, from what you've heard about it and know about it, does allow municipalities to have a head tax and a sales tax and even an income tax?

Mrs McCallion: Yes.

Mr Gerretsen: Is that your understanding?

Mrs McCallion: I guess even a gasoline tax. When we discussed integrated transit in the greater Toronto area, the only way that we can have integrated transit in the GTA—and we discussed it, all the municipalities involved—was a gasoline tax. We would have to ask the government to pass that. Maybe now we might have the opportunity to put it in. Yes.

Mr Gerretsen: So it's your understanding then that that is a possibility under the direct tax provision.

Mrs McCallion: Sure, yes.

Mr Crozier: Mayor McCallion, you may recall when I was first elected mayor in the town of Leamington in 1988, I came into the AMO convention and you and I sat down on the couch and I was quite pleased to talk to you about being a mayor.

You just spoke about the $3.5 million that Mississauga will lose in the transfer payments, and yet I have yet to hear you—and you are a great proponent for your city today—I take it that you think that Mississauga has been a pretty efficiently run municipality over the last 20 years.

Mrs McCallion: Not perfect, still looking every day for more efficiencies.

Mr Crozier: No, none of us are perfect, but the way you talk about your municipality, you've been a pretty efficiently run municipality over the 20 years.

Mrs McCallion: Yes. We're considered the best-managed in Canada.

Mr Crozier: The best-managed in Canada. Where in the devil are you going to find $3.5 million in inefficiency? I grant you can find part of it, but where have you been so inefficient in the last 20 years that you can now find $3.5 million just like that? No increase in fees, no increase in taxes, no increase in user fees.

Mrs McCallion: We're going to find it and we're going to find by looking at the way in which—for instance, we're going to look at how many consultants we are hiring to look at things.

Mr Crozier: Have you been hiring consultants over the years?

Mrs McCallion: We've been hiring consultants to some degree. We're going to cut a lot of them out. We're going to do a lot of things. But when I say we're the best-managed city in Canada—and that's what people say; I've read articles that said it—it doesn't mean that you have a management in status quo. You're forever looking. We just hired a new city manager, and I'm sure that he's going to come in with some new ideas.

Mr Phillips: You've had your legal people look at the new powers that you may have for fees and charges, I gather.

Mrs McCallion: Their report is—yes. I was briefed with them today.

Mr Phillips: I gather from your earlier comments and responses that it is your opinion, based on a conversation you've had with your legal people, that this provision here does provide for the introduction of a gas tax, for example. It does permit that.

Mrs McCallion: That's our interpretation, yes.

Mr Phillips: Would it permit an income tax as well? You could have a gas tax. What about a sales tax on certain items?

Mrs McCallion: Yes. You know I lived in Montreal and I paid the sales tax in Montreal. I thought it was a great idea. They still got the—

Mr Phillips: So that too would be permitted according to your reading of this bill.

Mrs McCallion: According to our reading of it, it allows sales tax and gasoline tax.

Mr Phillips: And what about income tax? Have you had an opportunity to determine whether—

Mrs McCallion: When you talk about income tax, you know that that is not possible.

Mr Phillips: I mean on businesses, for example.

Mrs McCallion: No, it's not possible because it's got to be negotiated with the provincial and federal governments.

Mr Phillips: So it's sales tax—

Mrs McCallion: Yes. If you stretch it to income tax, you know it's not possible.

Mr Phillips: But sales, gas tax. Are there any fees that you would think are excluded from this provision now? Any things you said you can't do except in Quebec?

Mrs McCallion: That's why I say to you that it gives us the authority to do it, but the province will look over their shoulder. I have no problem with the province looking over my shoulder or our shoulder in Mississauga, because if you're doing a good job, the province has no right to step in. If you're doing a poor job, I think they should step in.

Mr Phillips: I appreciate that. So it's unfettered taxing, except income tax, in your opinion.

Mrs McCallion: I wouldn't say it's unfettered tax, no. I would say that it gives us the opportunity.

Mr Phillips: Thank you very much. I appreciate it.

The Chair: Thank you, Mayor McCallion. I appreciate your taking the time to appear before the committee.

Mrs McCallion: Very good.

The Chair: Is anyone from the Canadian Bar Association here for 4:30?

That being the case, I have a few housekeeping announcements. Mr Cooke, if you want to hold one second, please, and Mr Sampson. A couple of housekeeping things: Tomorrow morning we're going to be starting at 9:30 because of some scheduling. There's no luck so far changing the 8:30 to the 7:30, but we'll continue to try to do that. There will be some food available for members officially on the committee in committee room 2 because there are only so many meals to go around.

Mr Phillips: We have agreed to share food.

The Chair: It's your right to do that.

I'll recess until 6 o'clock.

The subcommittee recessed from 1630 to 1806.

CANADIAN ENVIRONMENTAL LAW ASSOCIATION

The Chair: Good evening and welcome to the committee. You have 30 minutes to do your presentation. You can take as much time as you wish. Usually, people will leave some time for questions at the end. If you'd like to introduce yourself right at the start for the committee members and Hansard.

Ms Ramani Nadarajah: My name is Ramani Nadarajah. I'm a lawyer with the Canadian Environmental Law Association.

CELA is a legal aid clinic which represents low-income clients on environmental issues. We're also engaged in law reform to strengthen and promote environmental protection in the province.

First and foremost, we have a very serious concern with the speed and manner with which this bill was introduced. Bill 26 makes sweeping changes to numerous statutes and will have a significant detrimental impact on the environment, yet there was no public input. Given the very short time frame, we've had very little time to digest this bill and assess its full implications.

My comments therefore are preliminary in nature. CELA is in the process of preparing a written submission on the environmental implications of Bill 26 and we will forward them to the standing committee, hopefully by this Friday.

Our first concern is with the process. Bill 26 was not placed on the Environmental Bill of Rights registry, despite the environmental implications of this bill. On November 29, the government passed regulation 482, exempting bills intended to promote economic prosperity and achieve fiscal savings from the EBR process.

It is evident, however, that Bill 26 proposes amendments that are not simply fiscal or administrative in nature. For example, if you look at the various provisions in the bill, and particularly amendments to the Mining Act, it guts environmental standards. At the very minimum, the bill should have been placed on the EBR for public review and comment. By exempting Bill 26 from the EBR process, this government has severely undermined the integrity of the EBR process.

We also have substantive concerns with the actual bill itself. I'd like to first of all deal with schedule K, which are the amendments to the freedom of information act. The FOI is a key piece of legislation which has provided the public with access to important environmental information. A new section is created under Bill 26 providing government institutions with the power to deny access to documents on grounds that a request is frivolous and vexatious. These proposed amendments run counter to one of the very fundamental purposes of the FOI, which is that all necessary exemptions should be specific and limited.

The term "frivolous and vexatious" provides an extraordinarily broad ambit for refusal. Furthermore, it's entirely subjective criteria. The amendments also make it easier for the government to dismiss appeals. A new section is created allowing the commissioner to dismiss an appeal if the notice of appeal does not disclose a reasonable basis for concluding the record exists. This creates an onus on the requester to demonstrate the existence of a record, something that a requester will rarely be able to do. Both of these proposed amendments have the potential to create a shroud of secrecy which is exactly what the FOI act was intended to guard against.

We are also concerned about the increasing cost for FOI requests. Under Bill 26, individuals will have to pay for access to personal information and can also be charged for any cost incurred in responding to the request. These costs will make it more difficult for the public to access information, particularly low-income people.

Moving on to schedule M, which is the amendments to the Municipal Act and other statutes, there are a number of concerns under this schedule. Of particular concern,

however, are the changes to the Conservation Authorities Act. It provides municipalities with power to dissolve conservation authorities and to sell land. We are concerned that with the large cutbacks to funding for municipalities, selling off the land will provide an attractive source of much-needed revenue. The changes could permanently destroy provincially significant areas which were meant to be protected and preserved for the residents of Ontario and for future generations.

The proposed amendments to the Lakes and Rivers Improvement Act are also a matter of concern. Section 3 of the current act will be amended to allow the government to make regulations prescribing circumstances where approval is required. It is premature to ascertain the full implications of the proposed amendments without reviewing the yet-to-be-drafted regulations.

However, we are concerned that the proposed amendments could allow government to streamline the approval process to allow permit by rule. In other words, there's a strong implication that the proposed amendments will relax the current approval regime.

For example, the proposed amendments could state that dams of a certain size do not need approval if certain conditions are met or if it's constructed in a certain manner. Under certain conditions, there could be an entire exemption of certain kinds of dams.

The current approval process provides an important environmental safeguard, since it's the only mechanism for provincial control over dams which pose significant detrimental environmental impacts. For example, it can disrupt fish habitat, it has the potential to impact on downstream users by affecting fluctuations in water levels, and it can also impact water quality and quantity.

I'll now move on to deal with schedule O. These are the amendments to the Mining Act.

We have very serious concerns about schedule O. As a preliminary recommendation, we would suggest that schedule O be removed from Bill 26 and considered separately. It's my understanding that the Canadian Bar Association earlier on made this request as well.

Bill 26 will allow mining corporations to file closure plans as opposed to obtaining the director's acceptance of the plan. Essentially the amendments are a move towards self-regulation by the mining industry. It's our submission that these proposed amendments will undermine environmental protection. Closure plans provide a very key proactive mechanism for ensuring mining companies minimize adverse environmental impact and rehabilitate the site. It's only through rigorous environmental standards incorporated in closure plans that we will be able to ensure against environmental catastrophes such as the 1990 tailings spill which occurred at the Matachewan Consolidated Mines, Ltd site.

That tailings spill was the largest in Ontario's history, causing the disruption of the drinking water supply for at least three communities and resulting in the evacuation of homeowners. The spill cost the provincial government over $2 million in cleanup, although the final figures have yet to be tabulated.

The requirements for closure plans were passed after the 1990 tailings spill to avoid a similar type of situation from recurring. As a result of these proposed amendments, however, the Ministry of Northern Development and Mines will no longer have to review the adequacy of closure plans. Moreover, once a closure plan is filed, mining companies will no longer have the obligation to update the ministry, through annual reports, of the steps taken to meet the requirements in a closure plan.

We regard the proposed amendments as a regressive step.

There are also new provisions which change the form of financial assurance required. Mining corporations which pass a corporate financial test will no longer have to put up cash to fund cleanups. It's unclear what type of tests have to be satisfied. That has yet to be drafted by way of regulation. Presumably, it means that corporations that are financially solvent won't have to put up the cash.

There is also provision for confidentiality of information provided in a financial assurance. Consequently, members of the public will not have access to information about the adequacy of cleanup funds. The public will be shut off from the process, and that's a matter of concern.

Finally, the potential to exempt mining corporations from liability is troubling. Bill 26 creates two new provisions which exempt mining corporations from potential environmental liability.

Section 150 allows mining corporations to have a one-shot opportunity within 12 months of the passage of the bill to surrender their lease and avoid liability provided they did not cause a mine hazard. At first blush, this provision may have some element of fairness since only those who caused mine hazards will be held responsible.

Yet this provision narrows liability under the traditional concept of liability under environmental law. It's a well-established principle of environmental law that liability should attach to those in a position of influence and control, but who fail to take steps.

In the Matachewan situation, for example, the company was held liable, under the Ontario Water Resources Act, for permitting the tailings spill because of its failure to take steps to set up a monitoring program to monitor the tailings area. The company did not do anything actively to cause the tailings spill. Rather, it permitted the spill by its failure to take any steps to prevent the incident from occurring.

Under the proposed amendments, the crown will have to bear the cleanup costs for environmental problems caused by companies in a position to prevent a mine hazard, but which opted not to do so for financial reasons or otherwise. It's our submission that fiscal savings will not be achieved by using the public purse to fund cleanup on behalf of companies that were in a position to prevent a mine hazard but failed to do so.

Another section which allows mining companies to be exempt from liability is section 149 in schedule O. This section creates an exemption from retrospective liability for mining companies which surrender their mining rights or lands to the crown. The minister may refuse to accept a surrender if a mining corporation has failed to rehabilitate a site. However, once a surrender has been made,

mining corporations will not incur any future liability under the Environmental Protection Act.

Section 149 fails to take into account that many sites require post-closure monitoring in order to avoid adverse environmental impacts. For example, a tailings impoundment area requires long-term monitoring and maintenance and may not pose an environmental risk until a few decades later. I hate to use the Matachewan example again, but that's what happened in that situation. You had a tailings impoundment area that did not pose an environmental risk when the mine was shut down. Twenty years later it became an environmental risk, and we all know what happened there.

As a result of the proposed amendments, the cost for all future environmental problems will have to be borne by the crown once a surrender is made. This result is undesirable, in light of the large deficits currently faced by the provincial government.

I'd like to move on now to deal with schedule N, which is amendments to certain acts administered by the Ministry of Natural Resources. Schedule N also poses environmental implications.

Section 5 of the Game and Fish Act allows all moneys received under the act to "be held in a separate account in the consolidated revenue fund." Under subsection 5(3), the minister may direct the moneys to be paid to any persons, thereby potentially opening the door to privatization of wildlife management in the province.

It's our position that if the minister opts for this route, then the advisory committee for the management of the fund should be representative of the full range of groups with concern and expertise regarding biodiversity management and wildlife use in the province, including native people and environmentalists.

It is also our position that the game and fish management policy should not place undue emphasis on production of sport game and fish which can be of detriment to natural systems and indigenous species. For example, there's evidence that sport fish stocking programs in some areas may lead to a decline in indigenous fish species, to the detriment of the ecosystem.

Finally, I'd like to deal with the Public Lands Act. As a result of section 14, permits will only be required for activities specified by regulations. This could potentially be a very significant rollback of environmental laws, since activities which currently require permits include (a) logging, mineral explorations or industrial operation on public lands; (b) construction of or placing any building, structure or thing on public lands, clearing any public lands, dredging of shore lands, and finally, filling of shore lands.

Unless regulations are prepared and enacted requiring permits for the above activities, it means open season on the vast public lands, rivers and lakes within this province.

In conclusion, it's our assessment that this bill will have significant negative environmental impacts and will undermine environmental protection within the province of Ontario.

Those are all my submissions.

The Chair: Thank you for your presentation. We'll have about three minutes per caucus, starting with the government side. Mr Sampson.

1820

Mr Sampson: A whole three minutes. Are you providing us the written submission?

Ms Nadarajah: I will be providing a written submission by this Friday.

Mr Sampson: By Friday? Okay, which will be basically this document you're reading from?

Ms Nadarajah: Yes, that's correct.

Mr Sampson: It was raised earlier on today, about the allocation of the funds that the Minister of Natural Resources is collecting under game and fish licences—do you have any problem with those funds being allocated for specific uses as they relate to the maintenance of fish stock etc?

Ms Nadarajah: Our concern is, who are you going to fund it to? Are you going to give the funds to people who are essentially concerned not necessarily with protecting fish habitats but ensuring that there's adequate supply for sportsmen? That's why we would recommend that the advisory committee which is going to be set up to direct whom the funds should go to should be very broadly represented.

Mr Sampson: That's a very good suggestion. But to the extent that those moneys are being highlighted, as opposed to buried in an MNR budget, certainly that's got to help the identification of (a) what those moneys are, (b) how those moneys relate to the expenditure in those areas, and I guess (c) where the dollars are really going. Is that not really helping the situation, as far as you're concerned?

Ms Nadarajah: It entirely depends on who you give the money to, really. That's the bottom line. If you fund people who are genuinely interested in environmental protection and protecting wildlife, yes, it could be of benefit.

Mr Sampson: I guess the way I'm looking at it is the fact that if those moneys are declared as separate revenue sources and therefore have to be spent some way, it would seem to me to be far better to have where those moneys are spent exposed, so to speak, in that format than buried in some line item in some MNR budget, I guess is where I'm coming at it.

Ms Nadarajah: Yes, and this isn't a novel request. I believe that previously similar requests have been made and the provincial government was loath to do that. There were some requests that funds be allocated for environmental protection and rehabilitation under the previous government; it was never done.

Mr Sampson: Right, because this actually has been a request of your group before, has it not?

Ms Nadarajah: It has, and I guess the concern we have is we want to make sure it gets to the right group, and that's why we recommended that the advisory committee be broadly represented.

Mr Phillips: I appreciate your advice to us. You've probably been through a lot of different bills, I gather, in

your experience. This is something that you and your organization work on, legislation around Canada?

Ms Nadarajah: Yes. CELA is involved in reviewing numerous bills, both provincially as well as federally.

Mr Phillips: One of the challenges for us is, this is the bill you know as well as we do. We originally were going to have the bill passed this Thursday, as I think you know.

In your experience in dealing with legislation, is this bill as complicated as you've seen? Is it less complicated than you're accustomed to dealing with? I'm just trying to get an idea, from the environmentalist's point of view, of how many different areas this might touch on from your experience.

Ms Nadarajah: It's an extraordinarily complicated piece of legislation. Each time you look at it you see a different impact. As I stated in my opening comments, we really haven't had enough time to fully digest the implications of this bill. It's an extraordinarily short period of time to review it.

Mr Phillips: The Mining Act, you've indicated, is something that from your perspective should be separated and dealt with separately?

Ms Nadarajah: Yes. You can make that submission to just about every schedule on this bill, but the Mining Act is very troublesome. I think that particular schedule poses very grave environmental problems. It changes the whole nature of liability under the act as well. I believe the Canadian Bar Association already made comments with respect to that and we echo those concerns.

Mr Phillips: This is our first day of hearings, as you know, and I think that virtually every presenter who's come before us has made the same recommendation: that we are being asked to approve a bill, or deal with a bill, that is extraordinary in its scope in an extraordinarily short period of time. The government I think has made it very clear that this is going to pass on January 29. We've probably run out of options for us to provide any more time for debate.

Has your group been able to put together some amendments that you think might be appropriate, and have you had an opportunity to discuss those amendments with the government?

Ms Nadarajah: To be absolutely honest, we're still digesting the implications of the bill. We haven't even looked at proposing alternative amendments, and that's one of the requests that I made, that schedule O be taken out of Bill 26 entirely so that we can review it carefully and look at it clause-by-clause. We haven't had an opportunity to consider amendments. I mean, we're simply looking at the implications of the bill itself. That's taken all our time until now.

Ms Churley: Thank you for your presentation. I look forward to further details from you. I think my colleague who spoke before me expressed my point of view on this, that there's just so much, and so many implications in this bill, and if you put that together, outside of this bill, with some of the other environmental changes that have been made by this government, to me it's quite alarming. I'm concerned that there are so many significant pieces in this bill, among many other pieces that have nothing to do with the environment—health care, for instance—that people are very concerned about and there hasn't been a great deal of concentration on the environmental piece yet.

I'm very concerned, given what I just said and what you've said, that all this has been made exempt from the Environmental Bill of Rights.

Ms Nadarajah: Yes.

Ms Churley: I know I have to be very quick now and so do you. I just want to hear your opinion on the implications to this. It's a new bill. It gives people the opportunity to comment on changes that are going to affect the environment. Does this undermine the credibility of the whole bill of rights? And do you recommend that all the pieces that affect the environment be pulled out and placed under the Environmental Bill of Rights so people have the possibility of commenting?

Ms Nadarajah: Certainly that would be my recommendation, that all the various statutes which have environmental implications should be placed on the EBR registry. I think that the way this bill has been dealt with has undermined the EBR process entirely. There has been no public input, no opportunity for public comment, and the environmental implications of Bill 26 are very great. By no stretch of the imagination can you say that this bill is simply going to achieve fiscal savings and ensure economic prosperity. The environmental implications are very grave here.

The Chair: Thank you for appearing in front of our committee.

AMALGAMATED TRANSIT UNION

The Chair: I now call on representatives from the Amalgamated Transit Union. Good evening and welcome to the standing committee on Bill 26. You have 30 minutes to make a presentation and you can use that time as you wish. Most presenters choose to leave some time at the end for questions. I'd appreciate it if you'd introduce yourself for the sake of the committee members and Hansard.

Mr Tom Parkin: I'm Tom Parkin, executive assistant to the ATU national director, Ken Foster. Ken would have preferred to be here personally to make this presentation to you, but unfortunately, because we were only scheduled in on Friday, he wasn't able to change meeting plans that take him to Winnipeg today.

At any rate, thank you for letting me voice some of the concerns that have been raised by our members about this omnibus bill, Bill 26.

Let me start my remarks by saying that certainly in our organization democracy isn't a one-day-in-four-years occurrence; that in our tradition, in a parliamentary tradition, the right of a constituency's representative to discuss and debate legislation of importance to the province is imperative; and equally important is the ability of the citizenry to make their opinions, their ideas, known to the elected representatives, and I think on that point there's no doubt this bill missed the mark.

1830

I think back to the previous government, the length of time that was spent, months and months, for example, on the Rent Control Act, and the amount of time that was

spent on Bill 40, I think well over a year. I think of the federal government working on its gun control legislation, with well over a year of consideration on that. Really this bill is like taking rent control, Bill 40 and gun control, stuffing them into a package and adding a whole lot of other things and expecting it to be passed this Thursday. It's not really fair to the many people who are affected who wouldn't have a clue what was going on if it weren't for the tenacity of the opposition.

For the transit industry and the people who work in the industry, the bill and the budget that accompanies this bill have some very serious repercussions. In the budget, your government cut $68 million of funding to public transportation. In public transportation we have three major funding sources. One is to the paratransit services, the second is the operating allowances given to the transit services, and the third is for the capital allowances to the transit services.

Since the last budget of the previous government, the operating subsidies from the province to municipal transit organizations have been slashed by 30%. It's about $118 million cut so far. The TTC's operating budget has been cut by $33 million by this government. Ottawa has been cut by $8 million by this government; Hamilton, $3 million; Mississauga, $3 million. I can't tell you, Mr Maves, exactly how large it is in Niagara Falls, but again it would be that a 30% cut on what was happening being taken out of the budget of the Niagara Falls transit, where we have a local, in fact.

The result of these cuts has been a loss of jobs—already, just to speak of Niagara, jobs lost there—and an increase in fares. This government's funding cuts have forced about 400 people who were wage earners, workers, members of our union, on to unemployment. With the direction things are going, it's certainly only getting worse.

Just as an example, in Toronto here, the average fare was $1.30 when this government took power on June 8. It's risen to $1.50 and there's a possibility of its going up to about $1.70. That's a 31% increase in a fare in about nine months. A Metropass that cost $67 when this government was elected could soon be $88 a month. To somebody who uses a Metropass 12 months a year, the difference is $252 a year, making the annual price of travelling the TTC over $1,050.

Just to think a little bit about who is the passenger on the municipal transit systems across the province, for the TTC, for example, we're looking at a large majority who are women, we're looking at the about the 75% mark of people who are using it to go back and forth to work or back and forth to school, and the majority of these folks are in the lower half of income classes.

They're not the people who are going to be getting a big tax refund. They're the people who are getting hit again and again by the cuts that are being made to make space for this tax cut. If you consider somebody earning $30,000 a year, maybe an average TTC rider or a rider in Windsor or St Catharines, they're only going to get maybe $300 of tax rebate, and when you consider the expenses that they're going to incur on transit alone, that hardly makes sense to them.

In Toronto, about 400 stops are going to be abandoned on February 18. That's because of your budget cuts. Municipalities everywhere are going through this process.

On November 29, the municipal transit operating allocations were announced for 1996 and 1997, so that's a two-year commitment, but there has not been any mention of capital allocations for municipal transit for even next year, and that's obviously less than a couple of weeks away now. It makes transit managers and transit employees a little bit anxious about what's going on.

Just to sort of highlight or take an aside on this, earlier in the summer you rededicated the government's effort to building a Sheppard subway line, which I think would have been about $50 million on the capital side. Nobody has said that the Sheppard line is being axed, but it's fairly clear from what's going on here that despite the non-announcement, axing it is exactly what this government has done. But if you would tell us what our 1996 capital budgets would be, we would know for sure.

That's a little bit of a sketch just for the financial side which is really implicated with the omnibus bill.

How the bill applies to transit: The major thing is that it starts moving transit from being a partnership between the province and the municipality to being totally dumped on the municipal taxpayer.

The changes to the Public Transportation and Highway Improvement Act are where this is all contained, and in this act currently there's a 50-50 split on operations and a 75-25 split on capital. I should just mention that the 50-50 split on operations is after all the fare bucks revenue is taken into concern, and fare bucks revenue at the TTC is about 68% of operating cost; the remaining is more like 16-16. In the act, as it currently stands, it states that the province pays an amount equal to 75% of the capital and an amount equal to 50% of operating.

The bill strikes out the words "equal to" and inserts the words "not exceeding," which of course could be anything from zero, and therefore really marks a unilateral withdrawal from a partnership in transit between the province and the municipalities as it has existed for a lot of years. With no statutory requirement to fund municipal transit, the entire cost of building and operating transit systems could be dumped off the income tax on to the municipal property taxpayer.

As I mentioned, we've already got operating allowances for next year and the year following so we know we're safe for a little bit. But if this bill passes unamended, this means that capital subsidies from the province, which are supposed to be 75% of capital, could be eliminated down to zero starting on January 1 and there could be absolutely no money provided for municipal transit in 1998.

I say this is a "could" scenario, and certainly under legislation, as proposed, it is a could, but I also want to note that we've had a little bit of difficulty trying to get a meeting with your minister, who has twice refused to have a meeting with us so we could discuss these things, and so really all we can do is speculate about the intention of these things.

I would like to pose to the members of the government caucus—since the minister is not here—wondering if they

know whether it is the intention of this government to eliminate capital funding for municipal transit systems starting on January 1 or somewhere down the line. Is it the intention of the government to eliminate funding for operations of municipal transit starting in 1998? Do we know? If it is not your intention, why are we given a bill in which that possibility could become a reality, rather than going into a process where the partnership between the municipality and the province is renegotiated, if that is what you wish, rather than just jettisoning the whole thing?

Let me raise a couple of issues why we believe as an organization the partnership is important. First of all, we believe that an element of fairness dictates that income taxes pay for a portion of transit and not simply be a municipal property tax issue, which is of course a very regressive form of taxation.

Provincial funding is the only way that allows for provincial standards in equipment, which has safety and mechanical implications. Only by funding part of the transit system can the province ensure that social goals such as accessibility for people with handicaps are met, and only by funding part of the transit system can the province ensure the stability of the people who are suppliers of the industry, including companies that build buses and subways, because we will no longer have the ability to say that we are in a quiet way directing moneys or purchases to companies that have certain design features.

Our organization would like to ask the members of the committee to recommend that the bill be amended to ensure that the provincial-municipal partnership in transit is maintained.

The second issue I wish to raise with you is changes to the Public Utilities Act. In the act, some of the commissions that operate transit systems are enabled in that legislation. As it stands today before any privatization can take place there must be a consultation through a referendum. I'm not quite sure what is wrong with having a referendum, what is wrong with consulting with the civic population. I didn't read about it in the Common Sense Revolution. I certainly got the impression that we were going to have more consultation and more referendums and that sort of thing at the time. But certainly I don't remember any campaigning on eliminating referendums.

1840

On this question again I would like to ask the government members if they know for what reason we are eliminating this need for a referendum. Is it that something is coming down that is going to be so unpopular that it might lose in a referendum? If there is something, would you please tell us before you take away our right to vote?

Our belief is that a civic referendum has always been an important part of a counterbalance to arbitrary government action and therefore should be maintained.

Let me deal with a third issue in this bill, so-called schedule Q. Our members are not highly paid people. They are bus drivers, mechanics, cleaners, ticket-takers. They're folks who are making $13 to $20 an hour. A lot of them are doing split shifts, night shifts, part-time. Some of them have to deal with the threat of violence from the public. It's not the easy road. they're certainly not the folks who are going to get a huge tax cut from this government.

I figure that with the incomes of $30,000 or $40,000 that our members are making, they're certainly not going to be coming out any further ahead with this kind of arrangement coming down.

The tax cut raises an issue which has become a truism, and that is the phrase that today's deficits are tomorrow's taxes; certainly a successful truism. My understanding is that the tax cut is going to increase the deficit by about $5 billion or $5.5 billion a year. That means we could be looking at a record deficit under this new government.

When you consider a tax cut and you consider today's deficits are tomorrow's taxes, who is tomorrow's taxpayer going to be? If people at the high end of the income scale are getting a big tax cut and the members of our organization are not, then they're evidently the ones who are going to have to pay about $30 billion that it's going to cost you to have this tax cut in place, by the end of your term.

Why I raise this is because it's fairly bad that the members of our organization are going to have to pay for the tax cut with their jobs, with these kinds of cuts that I've outlined. But schedule Q really adds to the humiliation; in this latest mini-budget, $68 million of cuts on to the transit industry, and then put schedule Q in there to tell arbitrators that the $68 million should be coming out of the pockets of employees who are not going to be benefiting hugely from your tax cut.

The translation for this in the way it's going to be perceived in the lunchrooms and on the shop floors is that the Conservative Party is telling arbitrators how much of a wage rollback our members are going to take, and that is not going to be a popular thing. I think as well schedule Q is not like the social contract. It's not like having a day off without pay. It's not like having protection from contracting out, as we have now until the social contract is over. What schedule Q says is work just as hard, earn less and maybe, if you're lucky, your job won't get contracted out or you might not get bumped.

Because our locals in the transit industry do have the right to strike, we aren't directly affected by this, but we do fall into arbitration from time to time because of back-to-work legislation that affects us. I am assuming, and again this is an assumption because we haven't been able to discuss this with anybody in particular, that guidelines for arbitration in legislating employees back to work would follow the same guidelines as are in schedule Q. My assumption is we will be affected by these if there is back-to-work legislation.

If I could say to the members of the government caucus, if there's one thing I could please convince you of, it's to not proceed with the tax cut. If it weren't for that, we wouldn't have schedule Q, we wouldn't have the $68 million worth of cuts, or at least it wouldn't be as bad as what you've had to do. The municipalities wouldn't be in the financial crunch they're in. They wouldn't be looking to sell off public assets just to pay for the day-to-day necessities of operating their municipalities.

I understand from the government's perspective it would be breaking a promise, but it's our assertion that breaking a promise would be better than bankrupting our beautiful province.

So thank you to the members of the opposition for ensuring that we had the chance to have a voice here today. Thanks to the government members for hearing our organization's opinions and concerns. I hope the government members will ask their ministers and their ministers' political staff questions about the transportation issues that I've raised. I hope that perhaps in your caucus committees and at your caucus meetings you will have discussions, and I hope you will see that what we've outlined today is a sensible way of going about approaching the partnerships and the issues facing the transit industry.

Thanks very much, Mr Maves. Any questions?

The Chair: Thank you, Mr Parkin. We'll have four minutes per side and we'll start with the opposition party.

Mr Gerretsen: I've got a question. In the reduction of the operating funds that the various public utilities, or at least the transit authorities, are not receiving throughout this province or country—let's just stick to Ontario—how many jobs does that translate into within your union?

Mr Parkin: We don't represent all of the transit properties in Ontario, but we are the dominant organization in representing transit employees. We have about 18,000 public transportation employees in municipal transit. If you think about the TTC, for example, a massive operation, there are about 8,000 members of ours there.

Mr Gerretsen: Just the cutback in the grants, then, what does that represent?

Mr Parkin: What we've seen so far, as I say, is about 400 jobs. Everything will depend on how things proceed between—really, it has to do with bargaining. It has to do with how much we can raise fares; that's got an upper limit. How much can we cut service? That's got a political limit.

Mr Gerretsen: So what percentage of the transit workers would you represent in the province of Ontario?

Mr Parkin: I don't know the answer to that, but we have the vast majority. We have all the largest. We have Ottawa, Toronto, Windsor, London etc, so all the largest properties are with us. Some smaller ones—Oakville, Burlington, for example—are not.

Mr Crozier: I must say at the outset that in my riding of Essex South, my home town is the only one that has a mass transit system, and we have one bus, but it is subsidized. So I have some appreciation for what you're saying.

But I was interested in your comment—and I think your comments were very complete and easy to understand. You say that the minister has refused to meet with you. This is the minister of?

Mr Parkin: Transportation.

Mr Crozier: I'm a little surprised at that. Is this after repeated attempts?

Mr Parkin: This was two letters, and of course that's in addition to attempts to try and get meetings with the Minister of Labour, who said she'd be pleased to meet with us and consult about Bill 7 after the bill had passed.

Mr Cooke: Try a cell phone.

Mr Parkin: We don't have a cell phone number, unfortunately.

Mr Crozier: Has this been since the introduction of Bill 26, or were you just simply trying to meet with the new minister?

Mr Parkin: We tried to meet with him immediately after the election. We sent a letter of congratulations and hoping to be able to work with him, as we had the previous government and the government before that, and then later in the summer, after there were some cuts particularly around Wheel-Trans and that, we asked a second time. To be fair to the minister, no, we haven't asked since Bill 26, but we haven't had a whole lot of luck so far.

The Chair: Sorry, Mr Crozier. Four minutes to the third party.

Mr Crozier: Gee, I was going to ask a question that would have been nice to the government, but that's okay.

Mr Silipo: Thank you, first of all, for highlighting, because I have to say that I for one, and I don't mind admitting it, had not realized that the protection of the 75-25 split in funding was actually in the legislation. I think that's quite significant, as you pointed out, that those words of "equal to 75% of the capital costs"—that is, the provincial government's share—and "equal to 50% of the operating subsidy" is now being changed by language that says "not exceeding," which means, certainly as I read it, and I'm assuming that's what you're saying, that you're foreseeing cuts coming on the capital side, as you said. The operating side at least seems to be the same for now.

1850

Mr Parkin: Mr Silipo, we have allocations for two years that have been announced, but once they're expended, it's in the same situation.

Mr Silipo: Even on the operating side, and I think, as you point out, that means clearly a shift to the property tax base as the only other place where—or increases in fares, and we know what that means. So if you have any further comments on those, I'd be happy to hear them.

I also wanted to ask you, on your other point around the removal of referendum and privatization: You don't say it and I don't want to put words in your mouth, but I take it from your comments that one of the things you're wondering about is if there are some thoughts that the government has to privatizing public transit systems.

Mr Parkin: This is a massive, massive concern for us: the changes that are going on with the Golden report process, the powers that are being given to municipalities through this act to consolidate and eliminate municipalities, and the comments from the Minister of Transportation, who appears to be very, very supportive of the private bus industry lobbyists, who are very vociferous on contracting out and privatization. He is on their press releases. I don't think that's appropriate. None the less,

that is the concern, that we see a minister who is obviously very strongly in favour of privatization and contracting out, and now the cabinet has the ability to eliminate municipalities.

We haven't done the legal research but we are concerned that without even a vote, let alone a referendum, without even a vote of a municipal council, municipal transit systems could be privatized and contracted out.

Mr Silipo: My last question is around the arbitrator provisions, although, as you say, you don't fall under those rules, which puzzles me a little bit. But just taking that at face value for the time being, I think again history would show us that a TTC strike in Toronto, for example, doesn't last too long.

Mr Parkin: It doesn't last too long.

Mr Silipo: So again I ask you the question that we've asked a couple of other folks before today, which is, what incentive is there by virtue of this legislation for an employer to bargain?

Mr Parkin: This is exactly the point. We've kind of got the deck stacked against us. We know the government is anxious to have back-to-work legislation, and it is a concern if TTC were to be struck or locked out. But ordering employees back to work and then letting the arbitrator set wage rates, taking into consideration the $68 million worth of cuts there have been to the industry, really flies in the face of free collective bargaining.

We also are faced by the problems of contracting out and privatization, and if forced into arbitration, the reality is that in the industry we've never encountered these problems before of contracting out. We don't have the language in our collective agreements to protect ourselves. We may need that now, and because it would be considered breaking new ground, no arbitrator will give it to us.

The Chair: Members of the government caucus. I think Mr Tascona actually was first up.

Mr Tascona: I understand your union and the employers that you have a relationship with are covered under the Labour Relations Act, and I further understand that this hasn't been amended by Bill 26. But my concern is arising out of your questions with respect to schedule Q, the mandatory criterion with arbitration and ad hoc back-to-work legislation which you've alluded to. Would you not think that it would be less attractive for you to go to arbitration and, as such, the procedure that's been put in place is a greater incentive for you to make a freely negotiated deal?

Mr Parkin: No, I don't agree with that.

Mr Tascona: Why would you not think so?

Mr Parkin: Because there may be as much goodwill on our side as possible but this has put the employer in the position where he doesn't have to take responsibility for hitting his own employees. It's going to be your fault now, so the employer can play the game with his employees of not having to be the bad guy, and say, "Well, it's Mike Harris and that lot."

Mr Tascona: I don't think you can play games in negotiations. You'd end up in front of the labour board in bad-faith bargaining.

Mr Gerretsen: Don't be so naïve.

Mr Tascona: I put it to you that in a realistic situation—if you're familiar with labour relations, and I suspect you are—you're not going to have a situation such as that. But you've expressed a real fear for these criteria, which you're not subject to. Wouldn't you think that would make you more susceptible and you'd want to make your own deal to avoid those? That's what I think the logical conclusion is of what you're saying, but you're saying the opposite.

Mr Parkin: But the point is it takes two to tango. If I came to you with a deal and you had no reason to accept it and you could say that it was somebody else's fault, what would you do? Would you take the responsibility for yourself and endanger the relationship that you had built? In our business, there is quite a partnership between employees and management. They don't want to blow that, yet they are in the financial problems they are in because of the tax cut that you are pushing on to our industry. They don't want to be the bad guy, so it's going to end up to be you.

Mr Tascona: That seems like a simplistic view.

Mr Young: I think I have some good news for you.

Mr Parkin: Good. I'd like that.

Mr Young: Actually, as 1993 figures, Stats Canada, 87% of the people who filed tax returns in Ontario made $50,000 a year or less. Those people are going to get a tax cut. Your estimates of a $300 tax rebate here for someone who makes $30,000 a year are way low. It would more likely be around, over three years, $2,000.

Mr Parkin: That's debatable. Everybody has their deductions at different rates.

Mr Young: You also estimated only $400 for somebody making $40,000 a year; it would most likely be $3,000 over three years. That's very good news for your members, and a lot of your members voted for us for that reason.

Mr Parkin: In fact, they did.

Mr Young: We have trustees, child care workers, civil servants, universities and colleges, we have hospitals and now transit union members all saying to us, "Don't cut me." We're spending $9 billion a year more than we take in. Where do you think we should cut?

Mr Parkin: It seems rather preposterous to me for a party that campaigned on today's deficits or tomorrow's taxes to be adding $5.5 billion to the deficit on a tax cut before the deficit is under control. That seems like a foolish policy.

Mr Young: I'm interested in your answer to the question.

Mr Parkin: That's my answer.

Mr Cooke: That's a good answer.

Mr Young: Okay. I don't know where you get the $5.6 billion, because the tax cut is more like $2.5 billion.

Mr Parkin: On the first year.

Interjections.

Mr Young: Are we in order, Mr Chair?

The Chair: Gentlemen.

Mr Young: Where should we cut? Because I struggle with this. I care. My children are growing up in Ontario. Everybody says, "Don't cut me." Where are the people who say, "I'm willing to take my share"?

Mr Parkin: I guess the point is, Mr Young, that at this point we're not talking about a situation where it is very fair. If you were perhaps willing to take the tax cut off the agenda, then we would be in a situation to talk about dealing with the province's economic problems.

Mr Young: Your members wouldn't be very happy with you if we did that. It's not going to happen.

Mr Parkin: They may not be very happy anyway.

The Chair: Thank you, Mr Parkin. That's the end of your half-hour. I appreciate you appearing before the committee.

Interjections.

ONTARIO TAXPAYERS FEDERATION

The Chair: Could we first of all have some order among the committee, and then could we please have the representative from the Ontario Taxpayers Federation come forward.

Good evening and welcome to the committee hearings for Bill 26. You have half an hour to make your presentation. You can use that time as you see fit. I'd encourage you to leave a little bit of time for questions afterwards. If you start off by introducing yourself for the committee members and Hansard, it would be appreciated.

Mr Paul Pagnuelo: Good evening, Mr Chairman and committee members. The Ontario Taxpayers Federation welcomes the opportunity to comment on the Ontario government's Bill 26, the purpose of which is to achieve fiscal savings and to promote economic prosperity through public sector restructuring, streamlining and efficiency, and to implement other aspects of the government's economic agenda.

To begin with, I would like to briefly introduce myself and our organization. I'm Paul Pagnuelo, executive director of the Ontario Taxpayers Federation. We're a provincial affiliate of the Canadian Taxpayers Federation.

Founded in 1990, the CTF is a federally incorporated non-profit, non-partisan organization that represents the common interests of taxpayers. With over 85,000 supporters coast to coast and close to 7,000 here in Ontario, the CTF has provincial affiliates in Alberta, British Columbia, Manitoba, Ontario and Saskatchewan and is in the early stages of developing a provincial affiliate in Quebec and a regional affiliate in the Atlantic provinces.

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The core purpose of the CTF and its affiliates is to act as a watchdog on wasteful government spending, to promote fiscal responsibility and democratic reforms and to mobilize taxpayers who are prepared to take personal action and responsibility for seeking solutions to high government spending, debt and taxes.

There are those in this province who see the government's economic statement of November 29 as nothing but doom and gloom. They claim the so-called social fabric of Ontario will be ripped apart by the government's spending reductions. Because of these reductions, the government, in their eyes, stands accused of being mean-spirited and uncaring.

However, I would like to suggest that critics of the government's economic reforms are in fact a vocal minority. They're out to protect their slice of the pie from the Ontario treasury and believe it should be business as usual, as things were under the previous government, led by the million-dollar Premier, a Premier who thought spending a million dollars more an hour than the province has was the solution to our problems.

For those of us who really do care about the continuation of our social programs to help the poor, the sick and the elderly, the future of our children, our most precious asset, job creation, responsible government spending and a manageable and fair tax burden, the Harris government's economic statement is a sobering cure for taxpayers left with a bad hangover by tax-and-spend politicians.

If the Ontario government had decided years ago to rethink the role of government rather than put us all at risk with $10-billion deficits and a $100-billion debt today, the province right now would be debt-free and running a budget surplus and Ontarians would be paying substantially less in taxes.

In our view, the November 29 mini-budget delivers what taxpayers have been asking for: smaller government, lower cost, smarter spending and an honest accounting of where our tax dollars are going.

There's been much controversy over this bill, and at this point I think it would be wise on everybody's behalf simply to take a Valium and calm down.

Because of time constraints, we don't intend this evening to cover all aspects of the bill. There are, however, certain aspects which we specifically would like to address.

The first is public sector salary disclosure. We fully support the requirement of public disclosure of salaries and benefits for all public sector employees earning more than $100,000 a year. In fact, we would like to recommend that the legislation be further strengthened and that all non-taxable perks and expenses incurred by these employees also be subject to public disclosure.

Health services restructuring: The one public service which I believe all Ontarians value the most is health care. But all of us realize that if costs are not brought under control we are putting in jeopardy the one thing that nobody wants to lose.

The issue of closing or amalgamating hospitals is an emotional one. We would all prefer to see our local hospitals escape the Finance minister's scalpel, but if closing or amalgamating hospitals means better deployment of our funds elsewhere in the health care system, I believe it's time to set aside emotion and let logic prevail.

Those eligible to receive drug benefits are objecting to copayments which may be prescribed by regulation, and that the government will no longer pay for a more expensive brand when a less expensive brand is available. We support this move, as it is in line with most private drug plans. Furthermore, we believe it is more than fair

that those who are eligible for provincial drug benefits be asked to pay something towards the cost, when considering that many working citizens in this province who are not eligible for the plan pay far more for prescription drugs.

Freedom of information act: We agree with the need to put in place safeguards against frivolous or vexatious requests for access to information. While we have a concern if the head of an institution receiving a request were to be the final arbiter that a request is frivolous or vexatious, the fact that an appeal may be launched with the commissioner sets aside our initial worries that this provision might be used as a means of declining valid requests.

We do, however, feel that the elimination of the first two hours of search time without cost will result in less public accountability, particularly by municipal governments and school boards. We therefore would like to recommend that this aspect of the bill be reconsidered and that institutions subject to the act be required to make public, without cost, certain financial data which will allow taxpayers to determine that these institutions are in fact acting in a fiscally responsible and prudent manner.

In terms of the Municipal Act, we fully support the concept of block funding and the ability for municipalities to charge user fees. Many urban and rural municipal governments and school boards suffer from overstaffed and poorly managed administrations, spending which fails to deliver value for money, debt loads that squeeze out necessary services, and tax burdens that spiral constantly upwards, punishing economic growth.

By reducing the amount of free money, and by that I mean the provincial grants that come to the municipalities—the one thing we've heard more often in most municipalities in terms of justifying what we would consider to be a frivolous or unnecessary or costly expenditure is: "It's okay, it's only going to be 10 cents on the dollar locally or 20 cents on the dollar locally. The rest is coming from the province, so let's not be concerned with cost." By reducing the amount of free money available to municipalities and school boards, the Finance minister has handed a unique opportunity to local politicians and trustees to reverse the damage that years of imprudent spending have inflicted on taxpayers, their families and businesses.

Local politicians have lacked, in our view, both the intellectual ammunition and the political will to restructure the way they do business. Where taxpayers have failed at the ballot box over the past years to try to get things turned around at the municipal level, the Finance minister, we believe, has succeeded in creating the necessary initiative by essentially shrinking the provincial chequebook. Politicians can spend a tax dollar only once, but every time a dollar is wasted by them, it either deprives taxpayers of services they should be getting or ends up costing everybody more than they should be paying in taxes.

Municipal governments that talk about cutting services or raising property taxes to offset the cuts in provincial transfer payments don't have a funding problem, they have a cost problem. Typically, their unit costs for the required quantity and quality of service are higher than necessary. Why? Because they're above market price. Although the purchase of tangible goods like road salt, computers etc are routinely subject to competitive tendering, the most expensive cost element of municipalities, labour, is not subject to the competitive market. As a result, labour costs tend to be higher than necessary because of wages, salaries and benefits which are above market, archaic work rules that impede productivity, and excessive layers of management and larger-than-necessary staffs.

The solution isn't better management, because management isn't the problem. The problem is no competition. And the solution, market cost, is something that even the best manager can't produce in a non-competitive environment. The answer to any municipal politician who is talking about raising property taxes or cutting services or imposing user fees as a means of offsetting the reduction in provincial transfer payments is to tell them to get their fingers walking through the Yellow Pages and to do it quickly. The results will be dramatic. There will be no cuts and no tax increases. In fact, better service and substantially lower cost should be the outcome.

Experience south of the border, where governments have adopted competition as the model for delivering public services, has resulted in savings of between 20% and 40% and, in some instances, 60% or higher. Philadelphia, for example, has reduced street maintenance and water cost by 50% and nursing home cost by 53%. The city of Indianapolis has reduced printing cost by 47%, street repairs and garbage collection by 25%, waste water treatment by 44% and vehicle fleet maintenance by 18%, by simply using the Yellow Pages test.

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Fire protection is competitively tendered in 10 US states and the Netherlands. In Scottsdale, Arizona, the private contractor provides superior service for 30% less than a municipal operation. Transit systems are being converted to competitive tendering throughout the developed world, with cost savings ranging from 15% to 60%. In Crestwood, Illinois, the ratio of city staff to population has been reduced by more than 90% through competitive tendering.

Many of the services that are being produced by municipalities that have gone the route of competitive tendering are still being produced by public employees who found ways to improve their cost-effectiveness when faced with competition. Linda Morrison, who is the contract administrator for Philadelphia, put it this way: "Savings that weren't possible before suddenly materialize once you put a service out to bid." In Los Angeles, the mere threat of competitive tendering by the mayor resulted in a 25% cost reduction.

What's missing in Bill 26 is a provision that requires municipalities to earn their transfer payments. We believe such a provision should ensure value for money by requiring two things: both performance measurement standards and the necessity to subject certain services to competitive tendering.

User fees for certain services do make sense, but only where they're cost-effective. But what we're hearing

more and more from many municipal politicians today is that they see user fees as a way of offsetting the reduction in provincial transfer payments. As such, if that's what their intent is, then they really become nothing more than an indirect way of increasing taxes. What we want to ensure is that if a certain service that is now funded through general revenues is converted either partially or in full to a user-pay basis, then the amount of the funding from general revenues that went to pay for that service must be returned to taxpayers. Politicians can't have it both ways. There's no provision, from what we can see in this bill, to make sure that happens.

Again, we don't believe that you need to cut services at the municipal level, or that taxes need to be increased at the municipal level to maintain the same quality of service that's being provided. We believe that, notwithstanding the reduction in transfer payments, it can all be done by restructuring the way municipal governments deliver services.

The section dealing with assumption of powers, sections 209.2 and 209.4 of the Municipal Act, deals with which municipal level provides services and the assumption of powers by upper-tier or lower-tier municipalities. The one comment we have on that is that this whole section seems to assume that the status quo, of two levels of municipal government, will continue forever. What we're hearing continually from our supporters and from the average taxpayer across the province is that they want to see one level of municipal government, not two. The consensus to date seems to be heavily in favour of eliminating regional or county governments and repatriating all the responsibilities to local municipal councils. We don't see provision for that anywhere in this bill.

Conservation authorities: The primary responsibility of the conservation authorities is the preservation and control of rivers and floodplains across Ontario. The authorities were also granted the privilege of controlling dams and other water control devices that went hand in hand with the prime mandate. They also assumed a responsibility for conservation, and as such, were permitted to acquire lands for this purpose on the justification that they were in some ways sensitive. The act generally gave powers to the authorities to participate in other activities which would complement their principal role. These activities included conservation education conducted through local school systems, stream rehabilitation and reforestation.

The removal of major funding for the authorities is, in our view, a good decision. In addition to saving taxpayers millions of dollars, when one considers the measurable benefits of the authorities, frankly, there is really no reason for their continued existence. The flood control efforts can be melded with other responsibilities of the Ministry of Natural Resources, and other activities like education, reforestation and stream rehabilitation were nothing more than make-work projects with little tangible or measurable benefit flowing from them.

In closing, we support the efforts of this government to restore fiscal sanity to our great province. Where representations are made during these public hearings that deal with legitimate amendments, and we believe there will be many, which should be made to Bill 26 without in any way detracting from its overall objectives, we urge the government to consider and to agree to them.

We thank you for the time afforded us this evening and we'll be pleased to try and answer any questions which the committee may have.

The Chair: Thank you very much for your presentation. We've got 12 minutes available; that's four minutes per caucus. We'll start off with the third party.

Mr Cooke: Thanks for appearing before us this evening. Was it for your organization that Mr Harris signed the famous tax pledge?

Mr Pagnuelo: That's right.

Mr Cooke: Could you just briefly remind me what that pledge was?

Mr Pagnuelo: Basically, the pledge was that if elected they would pass legislation that would require the province to balance its budget within five years.

Mr Cooke: What about the part on taxes, increased taxes?

Mr Pagnuelo: It would require voter approval of any net tax increase. The third part would be that the Premier and his cabinet would be subject to financial penalties if they didn't meet deficit reduction targets.

Mr Cooke: Isn't there a resignation in there some place?

Mr Pagnuelo: No.

Mr Cooke: Maybe that was another commitment that Mr Harris made on his own. Keeping in mind that pledge, if you were told that this afternoon the mayor of the fourth-largest city in the province and legal counsel for the city of Toronto, in briefing the city of Toronto council this afternoon, said that under this piece of legislation municipalities will now have the power to bring in a municipal income tax, a municipal sales tax and a municipal gas tax along with all of the other user fees that we all have heard about, and that would all be done without referendum, would you believe that this would be a breaking of the pledge the Premier made?

Mr Pagnuelo: Unfortunately not, because of the fact that the pledge the Premier made was specific to provincial income taxes.

Mr Cooke: That's interesting, since municipalities are creatures of the province; it's not as if they're a level of government on their own.

Mr Pagnuelo: I guess you can argue indirectly, yes.

Mr Cooke: So you wouldn't see anything inconsistent then with cutting out $700 million in municipal grants and all the other cuts and then facilitating—because even Mr Leach said this morning that the purpose of this new flexibility for new taxes and user fees was for municipalities to make up part of the money that they're losing—you wouldn't see, even if that was not in the letter of the law of the agreement or commitment that he made to you—

Mr Pagnuelo: Let me suggest, Mr Cooke, that it would not be in the spirit. Because, again, we believe that municipalities can absorb those transfer payment reductions without impacting service and without having to

increase property taxes. Where we agree with the new powers that the municipalities are going to get is particularly in the area of user fees. We believe there are certain services that should be recovered, in terms of cost, from the users of that service.

Mr Cooke: But I would assume, based on your philosophy, that if a municipality gets more flexibility on user fees for full-cost recovery on a particular service, that should result in a lowering of the property taxes because there should not be a net increase in local revenues.

Mr Pagnuelo: Exactly. Municipal governments should not be looking at user fees as a way of offsetting this problem. It should simply be looking at those services that should not be funded by general taxpayers and should be funded specifically by those who use a particular service. An example would be municipal building inspections. If you're building a new home, for example, all the costs associated with inspections should be borne by the builder.

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Mr Cooke: Oh, I understand that.

The Chair: Thank you. I'm sorry; we're going to have to move along now to the government caucus.

Mr Sampson: I'll pick up on that theme, if I can, for a minute. Your concern is not that the municipalities would have the right to impose a particular transaction cost or user fee, as it's been called, but that they wouldn't have the fortitude, I might say, to take a look at other areas where they might save. I might point out that the mayor of the fourth-largest city also said that she was not going to increase taxes or user fees, she was going to find the savings within her own budget—not what the member across has alluded to. But your concern is that they would not find the fortitude to cut expenses elsewhere?

Mr Pagnuelo: There are many municipalities that will, I think, make the right decision and look for ways to operate within the existing funding envelope from the province and without having to increase the overall tax burden locally. But then, again, there are many that won't. As an example, I can tell you my own township, and I reside in a rural community just outside of Peterborough, my own local council last week sent out a newsletter to all the taxpayers basically saying that they weren't sure how they were going to cope with this transfer payment reduction but that they were looking at possible things like either amalgamation of services, elimination of services or increasing taxes. Wrong, wrong, wrong—on all three counts. Nowhere in that communication was there any indication that maybe they'll just do things just a little bit differently in terms of how they deliver services.

We believe that the problem is that most of them are simply caught in a situation where they don't know differently. They don't know how to go about the proper way of restructuring their affairs. Most municipal politicians are well-intentioned individuals who are really trying, I think, earnestly to deliver a reasonable product at reasonable cost. But when they're faced with a situation where, all of a sudden, the funding is reduced and they don't really want to go back to taxpayers, the next cry is, "We'll have to cut services." There is a way around all that without having to cut services and without having to increase taxes. I think the obligation upon all of us is to try and work with these politicians to show them how they can achieve better value for money.

The Chair: Mr Young, you'll have to be quick.

Mr Young: What happens to an economy or a society when it's overtaxed?

Mr Pagnuelo: It stops spending; it's as simple as that. We're seeing what's happening right now in terms of Christmas sales and retailers saying that the volumes aren't there. That's simply because people don't have disposable income. If you take a look at what's happened, now here in Ontario the average Ontario family is paying out 46% of its disposable income to all three levels of government in the form of taxes. If we take a look at what's happened in terms of aggressive tax increases over the last several years, people's disposable income has shrunk to the point where they don't have anything left to go out and buy in the retail sector.

Mr Young: Have you got any estimate of the amount—

The Chair: Mr Young, I'm sorry; I have to interrupt you. Your four minutes is over and we'll have to move to the opposition side.

Mr Phillips: To answer Mr Cooke, I carry it around with me, the pledge. I have it always. I've been a little bit surprised at how quiet you've been on the issue, because the pledge says, "I, Mike Harris, leader of the Progressive Conservative Party, pledge, if elected, to support immediate passage of taxpayer protection legislation." We're now well over six months into the mandate and I haven't heard your voice on their failure to follow through on this immediately.

Mr Pagnuelo: Oh, we've expressed concern a number of times, and most recently during the November 29 economic statement, that once again what's missing and what we're waiting to see is legislation that's going to put into place this taxpayer protection legislation.

Mr Phillips: Is there a reason why they haven't brought it forward?

Mr Pagnuelo: Well, you'll have to ask the government, because I can't answer that question. I mean, what I'd like to see very quickly, as part of this entire package, are deficit reduction targets, because if those deficit reduction targets are not met annually, then the Premier and the cabinet end up paying for performance, and that means financial penalties.

Mr Phillips: I'm just surprised your voice has been silent. The other thing I'd say is that we have heard throughout today that the mayors are anxiously awaiting the passage of this bill so that they can find new sources of revenue. In fact, the Minister of Municipal Affairs said, "I think the purpose of Bill 26 is to allow municipalities to raise revenues." That's what he says the purpose of it is. As Mr Cooke said, the mayor of Mississauga said there's no doubt this bill will permit them to have a gas tax. As a matter of fact, it is their intention to implement a gas tax.

I wonder, just following up on the famous taxpayer protection pledge, is it not reasonable to expect that if the province is theoretically living up to your taxpayer protection pledge, by giving municipalities, encouraging them to simply implement things like a gas tax, we are fooling ourselves here? I'm just curious as to why the strong voice of support by the taxpayers federation for Bill 26 in light of those facts.

Mr Pagnuelo: If in fact it is that far-reaching that it will cover things like the ability of municipalities to impose a gas tax, then we would strongly object to that.

Interjection.

Mr Pagnuelo: A head tax? Look, on the issue of a head tax I think any local council that would even consider a head tax will find their political heads rolling in the next municipal election. That, simply, we don't believe will ever happen with any municipality.

Mr Phillips: But your support for the bill then would drop off? You would take your support away from the bill if it permits a gas tax?

Mr Pagnuelo: If it really goes into areas other than strict user fees. I mean, we fully support the ability for municipal governments to introduce user fees, because we think user fees, as I say, do make sense in certain instances.

Mr Gerretsen: Is deficit reduction the prime target that your organization is interested in?

Mr Pagnuelo: Absolutely.

Mr Gerretsen: Then what's your position on the tax cut?

Mr Pagnuelo: On the tax cut itself? We think they have to go hand in hand, because you cannot achieve—

Mr Gerretsen: But if you don't have a tax cut—

Mr Pagnuelo: Can I finish? We don't believe that you can achieve a balanced budget situation strictly by cutting. You've got to provide some economic incentive back into the communities throughout Ontario that is going to get people spending again. And people aren't going to be spending if they're not being rewarded for hard work, savings and investment. What's happening today is that people have now gotten to that point where they simply don't have the disposable income left to go out and spend in our retail sector. As a consequence of that, we're seeing what's happening.

Mr Gerretsen: But aren't the welfare cheques being spent every month?

The Chair: Sorry to interrupt, but we've gone past our—

Mr Pagnuelo: But again, it comes back to rewarding people who are prepared to work hard and take changes and invest in our community.

The Chair: Excuse me, sir; I just have to interrupt. We're trying to stick strictly to a time line to be fair to all witnesses. We've come to the end of your half-hour. I'd like to thank you on behalf of the committee for appearing today.

If there's a representative from the Ontario Coalition for Social Justice in the room, could that person come forward. We attempted to get the coalition to move up an hour, but we've been unable to do that, other than to leave a message. So we've got a half-hour recess and then we can come back for the Inter-Faith Social Assistance Reform Coalition.

Mr Cooke: You mean we won't be able to change this?

The Chair: We tried, but we couldn't get through to them. We'll recess until 8 pm.

The subcommittee recessed from 1929 to 1959.

INTER-FAITH SOCIAL ASSISTANCE REFORM COALITION

The Chair: I call upon the Inter-Faith Social Assistance Reform Coalition to step forward. Welcome to the committee. I thank you for appearing. You have half an hour for your presentation. You can use that time as you see fit. You might want to leave a few minutes at the end of your presentation for questions, as most witnesses have. I wonder if you might do us a favour and start off by reading your names and the organization into the record for courtesy of the members and for Hansard.

Mr Michael Maher: Thank you, Mr Chair. I'd like to introduce our group first, if I may, please. On the extreme right of the table is Sister Doryne Kirby, who is the social action director for the Canadian Religious Conference, Ontario region. The Canadian Religious Conference is a group of major superiors of Roman Catholic congregations numbering about 80.

Immediately next to Doryne is Mr Ganga Rajballie, who is of the Christian Reform Church. Immediately next to him is Mr Michael Kerr, who is with the Buddhist Communities of Greater Toronto. On my immediate left is Ms Lee McKenna du Charme, who is the director of justice ministries for the Presbyterian Church in Canada. On the corner of our table, overflowing on the side, is Reverend Susan Eagle, who is chair of the United Church Conference on Social Justice, headquartered in London, Ontario.

In addition, we are pleased to be able to acknowledge the support and presence of Citizens of Public Justice. Mr Gerry Vandezande of that committee works with our group as well, and we are pleased that he is here tonight with the co-chairs of Citizens of Public Justice, Brian Walsh and Jennifer Harris.

We would like to read portions of our statement to the committee and, by abbreviating it somewhat, leave some opportunity for questions.

We have entitled our statement Ask the People: Do We Want a Community?

We would like first to thank the committee for the invitation to appear here tonight as representative witnesses from the faith communities of Ontario. To the faith communities, the term "witness" is not a democratic process term but a demand for fidelity to God. Yet tonight the two terms and the realities behind these two terms cross paths as perhaps never before. We come, therefore, to you this evening with a sense that both witnesses and fidelity are needed now more than ever in our province. In the call of the faith communities to hear the cry of the poor and to respond to their needs, the faith communities have long walked with the poor. The

faith communities have long provided health, education and social ministry to the people of our province and continue to do so. It is in the context of that faithful witness to a caring community that we offer some reflection tonight on some alarming trends we confront.

ISARC has already circulated to all of the members of the Ontario Legislature Chief Rabbi Dow Marmur's insightful and prophetic paper Common Sense, God Sense. It is a critique of the Common Sense Revolution from the perspective of the Jewish faith community and was presented at the November 2 ISARC briefing. It is a view very much shared by the multi-faith and province-wide audience at that briefing. After acknowledging the Common Sense Revolution's claim to have been subjected to an "independent analysis by one of Canada's leading economic experts," Rabbi Marmur laments one noteworthy failure. He says:

"It is a pity, though, that the authors had not subjected the same plan to a social analyst, perhaps even a theologian, who might have pointed out that there is more to human existence than economic sense—such as justice, social responsibility, human dignity, and integrity in the face of God."

Our paper then continues with a number of illustrations and statements from the faith community leadership relative to what has been happening in this province for some time now. We choose to pass over those and leave them to your reading so that we may in fact arrive at a point where we can have some conversation and dialogue this evening. So I would ask if Reverend Susan Eagle would pick up on a further point in the paper.

Rev Susan Eagle: Over on page 4 of the document you will find that we have already attempted to identify some of the impact of social program cuts and what that means in local communities. Not only am I a minister in the United Church but I also work as a community worker, so I can speak first hand to the impact that we have seen in local communities.

We have identified some of those individual cuts as ones that are dismantling the supports to community-building; closures of neighbourhood centres and the loss of volunteer coordinators who reach out to those who are mentally disadvantaged and the disabled; closures of shelters for battered women and counselling centres that help victims and offenders in family violence; the loss of the community's ability to respond to the educational needs of new Canadians, especially in language training; the loss of halfway houses and the work of community partnering in the return of those imprisoned to the community; the loss of day care for single mothers struggling to find ways and means of upgrading their education while parenting; the loss of public housing and reasonable places to live, and badly needed municipal services.

As a community worker in the northeast part of London, Ontario, we have seen the loss of co-op and non-profit housing, which means that we now have families that are living doubled up in housing units. We have people who are underhoused in terms of families, five and six and seven members of a family in one- and two-bedroom apartments, struggling to survive. They had thought that they would be moving into co-op housing projects but now those projects have been cut.

I work with Cambodian and Vietnamese people who are now facing the loss of translation programs and also programs that will help to teach them English. I was at the William Proudfoot House, the halfway house, the day that the Legislature announced the closing of halfway houses. As it was being announced in the Legislature, the cars were driving up the driveways to reincarcerate the women from those houses, some of whom already had part-time jobs in the community, and they were carted back to the detention centres.

This is what we are seeing first hand at the community level, those of us who are working at the community. We're seeing this as background to the further cuts that we anticipate and see will be part of this omnibus bill. This is already happening in the community.

Sister Doryne Kirby: What is steering us is the face of divisiveness. The policies of this government are divisive of community. We in the faith community have repeatedly heard the government suggest that the faith community can make up the human deficit necessitated by the fiscal deficit, but ISARC knows of no single instance in which government has made any effort to consult the faith community about its decision to prefer the fiscal over the human deficit, about its decision to pass along to the faith community the burden of expanding ministries and services in response to this human deficit, about the resources necessary to accomplish this increase in the face of its withdrawal, about its policies that divide the community into the haves and the have-nots, the workers and the lazy, the deserving and the undeserving.

Nor has there been any effort by the government to even alert to its policy changes the faith communities whose ministries are now expected to make up the human deficit caused by the policies of government. Though the faith community recognizes that this government has a mandate to govern, we do not concede that the government's mandate precludes the exercise of democracy, public debate and consultation about significant changes to the fundamental social values of our society. We do not concede that government by its mandate to govern has as well a mandate to pre-empt the exercise of democracy or to exclude necessary or advantageous partnerships with community groups who are working for the growth of community, and we do not concede that government has a blind mandate insensitive to the needs of our neighbours and the poor.

The underlying thrust of much of this government's policy is to reduce the role of government in the protection and care of citizens, especially the marginalized. Thus, government sees itself as no longer responsible for the poor and vulnerable, the hungry and the homeless, the people in crisis for the moment or those whose circumstances leave them in ongoing need. If government is no longer responsible for the hungry children or the battered women, the lack of funds means that the infrastructure for the operation of these support services is disappearing, as well as our capacity to deal with these concerns collectively as a society.

Bill 26 represents yet another deterioration in the values of our society because it abrogates to government itself the decision about the role of government in the lives of the citizens of this province. Bill 26 allows government officials and bureaucrats to make decisions that impact directly on our health care, our educational programs, our social programs, our municipalities, our environment, our life in community and our relations with one another.

The bill allows government ministers to make unilateral and arbitrary decisions about community health services and hospitals. The bill places in those same hands decisions about the progress of environmental concerns, cleanup and regulation of pollution and polluters.

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Mr Ganga Rajballie: There are any number of specific problems for the faith communities in Bill 26. The bill again, against all representation from faith communities, divides the community into those who can pay for access to services and those who cannot. The bill again, against all representation from faith communities, adds to the tax burden of the poor by clearing the way for municipalities to introduce poll taxes. The bill introduces legislation to allow user fees for a number of community services such as prescription drugs, community recreational facilities, libraries, garbage collection and so on. These are all forms of regressive taxation that place a disproportionate burden on the poor and those who are struggling to get by.

There are varying reports about just exactly how many pieces of current legislation are impacted by Bill 26. Some say 44, some say 47, some say over 50. Bill 26 is anti-democratic precisely because no one, including the faith communities, the public, the members of the opposition parties, perhaps even the government itself, has had adequate opportunity to study the bill or adequate opportunity to speak together as an inclusive community about the changes it brings to our fundamental values or the democratic processes for decision-making within our society.

The faith communities are clearly concerned about government policy, the lack of community values and the lack of supports for community-building. The faith communities are also denied a voice and an arena in which to be heard. More importantly, the poor and the vulnerable of this province are denied a voice in issues that directly affect them.

Bill 26 represents a clear and continuing decision on the part of government to remove the possibility for public debate and consultation on essential value questions for our society. ISARC calls on the government to suspend the timetable for Bill 26. We ask that the bill be split into its component parts and that honest time and energy be given to analysis and impact study as well as public consultation.

The massive and diverse nature of this omnibus bill is indicated by the number of pieces of legislation, by the fact that the committee has been split into two segments: health and a generic other.

Mr Michael Kerr: Given the depth and the breadth of the implications of the bill, ISARC wants to ask government some questions as a faith community.

The questions have to do with how Bill 26 is going to enhance our capacity to be in community together.

The questions have to do with how Bill 26 is going to empower people to participate in decision-making about their lives, about how Bill 26 will empower people to deepen their relationships and caring for one another, about the fundamental social values and the shape we want of our society.

The questions have to do with how Bill 26 is going to address the questions, as put by Rabbi Marmur, about justice, social responsibility, human dignity and integrity in the face of God.

The questions have to do with how Bill 26 will help us as a society respond to the civic and religious duty identified by the Ontario Catholic bishops when they spoke about the provision of economic security for the unemployed, the impoverished, the displaced and the afflicted.

The questions have to do with what Anglican Bishop Asbil called the patronizing attitude of this government, expressed in the rush to pass Bill 26 and in the dismissive treatment of so many asking to be heard, those of faith groups and community groups otherwise alike.

The questions have to do with what further lengths the faith communities need to go to to be heard in the debate about our relationships with one another, our common values, our duties as members of the community.

In a December 5 press release by ISARC, chairperson Rev David Pfrimmer of the Lutheran Office for Public Policy, while commenting on the lack of consultation, said: "It is sad that the government has such contempt for the public and community groups when these are precisely the people and organizations that give so much to the community and will in fact help us to find our way into the future."

Ms Lee McKenna du Charme: ISARC wants to ask this government just exactly what measures in Bill 26 will encourage people to struggle through these difficult times together, with hope and with confidence that whatever the future brings, we will face it together.

We want to ask what Bill 26 says about fairness, what it says about equality and equity and inclusion. We want to ask what Bill 26 says about mutual respect and mutual responsibility. We want to ask this committee what they are willing to do to prod this government into building up our community and building our lives together.

We want to ask what values Bill 26 espouses on our behalf when we and most others in our society have no opportunity whatsoever to participate. And what is worse, we are deliberately excluded from participation in the decision process.

In conclusion, the conviction of our faith values tells us that where there is no vision, the people perish. From the perspective of the faith community, we have already gone close enough to the dissolution of a people. We urge this government and this committee to refrain from any further incursions into what makes us a people, a

community, and what unravels our life together. We ask this government and this committee to begin the process of a change of heart with a decision to delay the implementation of Bill 26 and to ask the people whose life together is at stake.

There can be no more basic exercise of our democratic society. There is no greater obligation of government than to work with its citizens to build a society free of poverty, hunger and homelessness. We ask you to ask the people if there is to be a community in Ontario.

The Chair: There are nine minutes remaining. We'll start with the government caucus. Mr Young.

Mr Young: I almost don't know where to start. I appreciate very much your coming here and I appreciate your sincerity. I'd like to partially answer your questions and then ask you to respond, if I may.

I grew up in the church, actually on church property. My father was a canon in the Anglican Church. I can tell you, with regard to this specific issue Bishop Walter Asbil, who's my bishop, doesn't speak for me. Bill 26 does not address these moral issues. Bill 26 addresses economic issues.

Sister Kirby: Excuse me for interrupting, please, but there's no issue that doesn't have moral and ethical implications, and—

Mr Young: There are statutes that don't have moral implications. Can I finish, please?

Why is there an assumption among your group that members of the government are not members of the faith communities? I've received the letters too, and frankly, I resent it. I've been a member of a church my whole life and I am to this day. Why do we have this condescending approach that we're not members of faith communities because we disagree on economic issues?

In the Bible—I'm a Christian—Christ gave us a mission. The mission was to take care of the poor and the needy. He didn't ask us to brush it off on to governments. We have in this province a $9-billion deficit, a $100 billion debt—

Sister Kirby: Excuse me, but—

Mr Young: We're spending $1 million an hour on interest on the debt. I'm not an authority on the Bible, but there are parts in the Bible where they talk about usury, and that's what we're paying in this province. We're paying usury. If we had that $9 billion to spend to help people, imagine what we could do—

Sister Kirby: You could get the $9 billion if you were to go about it in ways that—other people have contributions to suggest how you could get that money.

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Mr Young: Imagine what you could do with that $9 billion. I'd like to tell you something too, because I've been through a restructuring in the Anglican Church. We had to close churches—

Mr Cooke: They don't need a lecture from you.

Mr Young: You're out of order.

We had to close churches, and I saw that happen in my own neighbourhood.

Sister Kirby: Excuse us, but I think you're taking our time from us.

The Chair: If I may, the members' time they can use as they see fit. They're allowed three minutes. They can ask questions, make responses and so on and so forth.

Sister Kirby: Do you want to hear from us? Are you concerned about what we have to say?

The Chair: These are the rules of the committee, ma'am.

Mr Cooke: I think this is a disgrace. You're supposed to be listening, not lecturing.

The Chair: You have about 30 seconds left, Mr Young.

Mr Young: He just took 30 seconds of my time, Mr Chair.

Mr Gerretsen: Give him 30 seconds. Give him a couple of minutes.

Mr Young: What I'm trying to explain is that I've seen churches close. If you ran your churches like these guys ran the government of Ontario, your churches would close, and then what service could you provide to people? We have to be fiscally responsible.

I also want to ask you, because there are some churches out there that I think have a conflict of interest. They run government day care centres in their basements, and they're talking about helping people and they're paying their rent and preserving their parishes using government money. Don't you think there's a slight conflict of interest there?

Mr Rajballie: Can I reply to Mr Young?

The Chair: Yes, you can. That's a direct question.

Mr Rajballie: First of all, I think you're making some very wrong assumptions. Nobody here accuses you of not being a member of the faith community. There was never that—

Mr Young: That's the impression I got with the letters I get and with the comments.

Mr Rajballie: You may think that, but nobody accuses you of not being. Secondly, if you think that faith communities are not concerned with economics, I think you are wrong. Economics and morality are very, very closely tied one with the other, and I think you are very wrong in saying that these are not moral issues, these are economic issues. My friend Dorothy here has told you that already.

Mr Young: This is an economic bill.

Mr Rajballie: It doesn't matter to me. What I'm saying to you is that you are accusing us of talking about moral issues only. We are talking both moral and economic issues. You are saying that you are talking about economic issues. You cannot divorce economic and moral issues. They are very closely tied with each other. I don't care, and our committee doesn't care, whether you have been an Anglican, a Presbyterian or so on. That doesn't matter. If you're a member of the faith community, then you must see the point of this ISARC.

The Chair: Thank you. Now I must turn to the opposition party.

Mr Young: Lock, stock and barrel, you bought all the NDP stuff.

The Chair: Mr Young, your time is up. Your time is concluded, please. Mr Phillips.

Mr Cooke: You're an embarrassment to your caucus.

Interjections.

The Chair: Order, please. This is Mr Phillips's time on the floor.

Mr Phillips: Let me say that of all the presentations we've heard today, this is probably the most significant one. I think you're trying to put an umbrella over where we're going and to say, is this really where we want to go as a province? The other presentations have dealt with the specifics of the bill. You're trying to give us a moral and a philosophical view of it. I want to dissociate myself from the comments made earlier, in the sense that I think you are here speaking from the heart and not from some strange vested interest.

The challenge we face is that the elected government believes this document is the vision for the province. They say: "We got elected. We're going to do this." It's quite a different vision than my party has, quite a different vision than the NDP has, and a vision about which I feel very uncomfortable with where they're going.

What is driving it is that they have a fundamental belief in cutting government services. They plan to cut $8 billion out of the budget, about 25% of all the spending, yet they say they don't touch health care, and $5 billion of that goes to a tax cut. This is not about fighting the deficit; this is about a fundamental shift in our society. The tax cut, as we all know, is a 30% cut in personal income tax, so the better off you are, the bigger the cut.

I share with your group the concerns about the direction, and your advice to us we'd love to follow, which is let's let this bill get some breathing time, let's let people digest where it's heading and get some input into it. I wish we could do that for you. We've gone about as far, frankly, as I think we could go with what tools we have at our disposal.

This isn't asking a question, it's just saying that we share your concerns about the direction. We will try and do the best we can, our party, to reflect those concerns in what we'll do with the bill, but I think this is a bigger fight than this bill and this is sort of a symptom, if you will, of where we're going. I take your advice. We'll do what we can to accommodate you, but I wouldn't want you to get your hopes up too much. Come January 29, frankly, this bill is going to be law, we can do nothing to stop it, and it will be law the way the government wants it because we can do nothing to stop that, other than do what you're doing and do what we'll try, moral suasion

The Chair: Thank you, Mr Phillips. Now a member of the third party, please.

Mr Phillips: I'm sorry I didn't allow a question there.

Mr Silipo: I too want to, as Mr Phillips has done, say that this for me has been probably the best presentation I've heard today and I say that because I think it's timely that we be reminded of what this is about in terms of what responsibilities government has towards people of the province. I know, having talked to many of you in the past, that when you talk about the role of government with people, you're not oblivious to the fact that there are dollars and cents involved as well. And so, rather than reiterate my support for what you've said, I actually would like to just ask you to talk a little bit more about that side of it, because maybe the government members might find that a little bit more easy to understand than the words you've put here on these pieces of paper.

Mr Maher: Frankly, I'm a little reluctant if it means changing my tune to have the government understand, and I particularly am fascinated by the thought that somehow Jesus speaks to me but not when I become government. That fascinates me, too, Mr Young.

Mr Young: I never said that and I don't believe that—not at all. That's the impression I get from your group—

The Chair: Mr Young, please. The third party has the floor.

Mr Maher: I think there are several other members of our delegation who want to address Mr Phillips, or perhaps Mr Silipo's remarks or Mr Young's.

Rev Eagle: First of all, in response to some of the comments that we've heard tonight, not only do we believe that the government is moving in a direction that is ultimately immoral, but it's faulty economics; it's truly faulty economics. I know from the perspective of being out in the community for the last 10 years as a community worker that if you strip away the supports that enable people to stand on their own feet, they become even more pushed down and more oppressed, and ultimately it becomes a greater burden for our society. I've watched that happen and I've watched in the recent cuts that we are taking away the supports that people need to stand on their own two feet. Down the road we pay the price, whether it's in higher health care costs or people who lose out on education or whatever it is. Down the road, we pay that cost ultimately.

The second thing, though, that I want to say—I don't know if I've got time to throw all this in—is that we understand when we are talking about community, government is community. You are the people who have been elected to undertake the needs of community while you are in power. So to make a distinction and say you want to throw stuff back on the community, you have been elected to carry out the needs and to meet the needs of community while you are in power, so there should not be this sense of somehow throwing it back to community and saying government can no longer look after it. You are community.

The Chair: Thank you very much. I'm sorry, but the half-hour has exhausted itself. I want to thank you for your presentation. I must tell you that all three parties have set the rules out and it's 30 minutes for presentations. I'm sorry that you don't have the opportunity to say more, but I thank you for appearing before the committee today.

ONTARIO COALITION FOR SOCIAL JUSTICE

The Chair: Could we have the Ontario Coalition for Social Justice come forward, please. Gentlemen, if we can come to order so that we can hear the final presenter

for the evening. Welcome to the committee. You have half an hour to make a presentation. You can use that time as you see fit. Most people leave 15 or 10 minutes at the end for questions or response from the three parties as they see fit to use their time allotted. I'd appreciate it if you could start off by introducing yourself and your organization for the committee members and for Hansard.

Mr James Turk: My name is James Turk. I'm the chair of the Ontario Coalition for Social Justice. The Ontario coalition is a coalition of 50 provincial and national organizations and, as well, we work with and help set up 30 community social justice coalitions in 30 municipalities around Ontario.

We're grateful to the opposition that we have the chance of being here, because had it not done what it has done, there would have been no public input into this very dramatic piece of legislation.

On the other hand, we regret how this is proceeding. We received notice that we would be able to appear tonight late on Friday afternoon. It's quite striking to us and, we feel, symptomatic of where this government is taking Ontario that a bill with 17 schedules amending more than 40 pieces of legislation that will have a dramatic impact on the lives of everyone in this province is expected to be discussed with such short notice, in such a hasty time frame.

This bill, in our view, vests in the cabinet unrestrained power to make decisions affecting a broad range of the lives of Ontarians. Many of these will be able to be made without parliamentary debate through regulation, ministerial direction and administrative order, leaving no room for meaningful public scrutiny or community input.

We see this bill as nothing short of an assault on democracy. Powers are granted to cabinet and to the ministers without statutory limitations or conditions usually provided to ensure political accountability and effective recourse to the courts. Ministers and cabinet would be given power to take away contractual rights and binding agreements, prevent enforcement in the courts and, in some cases, override or provide exemptions from provisions of other legislation.

It will free the government from liability arising from future court or tribunal decisions. It tramples on public rights and democratic process. It reflects a mentality that is more suitable in Mussolini's Italy than in a genuine constitutional democracy. Our coalition would urge strongly that this bill be withdrawn.

In a fashion that is really inappropriate in a democratic society, it does a number of things. I'm going to highlight three categories of things. It seriously reduces public access to information; it allows ministers and cabinet to exercise virtually dictatorial rights over people in communities; and while limiting the rights of individuals and the public, it grants substantial new rights to major corporations. Let me deal with each of those in turn.

In a fashion typical of a government that does not value public input or public information, it reduces access to information. With regard to the freedom of information legislation, it does that by increasing costs and widening the grounds for denying access. It will require individuals in all cases to pay a prescribed user fee. If individuals want to appeal to the commissioner, they will have to pay another prescribed user fee as a precondition of appealing. It will increase the cost of retrieval to include the first two hours of manual search time, which is presently not charged for, and would extend the requirement to pay fees for the retrieval of information made by an individual for access to his or her own personal information.

It widens the grounds to deny access by allowing the head of an institution to refuse access to a record where, in the opinion of the head of the institution, on reasonable grounds the request for access is frivolous or vexatious, even where the requester would otherwise be entitled to obtain access to the record under the legislation.

While this ruling may be appealed to the commissioner, it provides a new ground for refusal, which inevitably will result in the denial of records to those individuals unable to afford an appeal. It will delay access requests. It will involve individuals who do appeal—it will throw them into lengthy and costly proceedings.

All the things done in this legislation—this may be a relatively minor point, but I think it's fairly symptomatic of a government that does not value public scrutiny, let alone public accountability. We see that more clearly in the kind of unprecedented power it gives to ministers and the cabinet. I just want to give you eight examples. This bill is so long that one could cite as many as one had time for, but I'll just pick eight.

The first is the power it gives the minister to restructure municipalities, to amalgamate them, to annex them, to dissolve all or part of them and so forth, as laid out in schedule M. The minister can do this either by receiving or restructuring proposals from the municipalities themselves or by acting on the recommendations of a restructuring commission established by the minister. The minister is given virtually unlimited powers to determine, by regulation, the composition and functioning of a restructuring commission including authorizing the commission to apportion its cost among the municipalities or local bodies affected by the commission report.

The minister is entitled to establish the restructuring principles that must be considered by municipalities, other bodies and the commission when developing the restructuring proposals. Where restructuring proposal is made by the commission itself, no specific requirement for any degree of local support is set out in the bill. Any order of a minister or commission implementing a restructuring proposal prevails over any other legislation with which it might conflict.

The minister may prevent a municipality where a restructuring proposal has been submitted from exercising any of its powers, and if it does exercise them and there are any adverse effects to a successor municipality in the eyes of that successor municipality, the individual council members are held personally liable.

To take a second example, the Minister of Health is given the power to close and change public hospitals, as laid out in schedule F. The minister, not even constrained by regulation, can whenever—and I quote—"the minister considers it in the public interest to do so," make grants

or loans, impose conditions on funding and windup, reduce, suspend or terminate funding. This is an absolutely fundamental change. The courts have ruled that under the existing Public Hospitals Act, the minister cannot act for fiscal or budgetary reasons alone or without regard to the effect on patient care in deciding to close or amalgamate public hospitals.

However, under this bill the minister would be empowered to order the closure and amalgamation of public hospitals whenever the minister considers it in the public interest to do so. The bill also provides, no amalgamation can take place without ministerial approval. In determining whether closure or amalgamation is in the public interest, the Minister of Health is authorized to take into account any matter he or she regards as relevant.

Under the bill, the minister is also given the power to direct a hospital:

"To provide specified services to a specified extent or of a specified volume.

"To cease to provide specified services.

"To increase or decrease the extent or volume of specified services."

As well, the minister will be given the power to make any other direction related to a hospital that the minister considers in the public interest. And where the ministerial directions are given, the bill provides that the board of a hospital must carry out the direction. In fact, the board is deemed to have an unrestricted power to do so regardless of the provisions of any other legislation or the hospital's own letters patent or bylaws.

Further, the bill would insulate the minister or cabinet from any legal liability with respect to any direction issued to a hospital and with respect to the effect of any funding decision by preventing any proceeding from commencing against them. With respect to the powers of investigation and supervision, this bill goes further than any of us would imagine possible. The power of cabinet to appoint investigators out of the Public Hospitals Act has been expanded under this bill to allow investigators to investigate any matter related to a hospital.

As well, the bill would authorize the cabinet to appoint a hospital supervisor whenever cabinet considers the appointment to be in the public interest, without the requirement that an investigator's report first be continued for a 30-day period, as contained in the present act. The powers of the supervisor would be expanded. Instead of providing advice or directions to the hospital board, the supervisor would now have the exclusive right to exercise all the powers of the hospital board. Furthermore, the supervisor is required to follow any direction issued by the minister with respect to the supervisor's powers, which themselves are virtually unlimited.

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If we look in another area, again related to health, the minister has virtually any power he or she wants to deal with private hospitals. Under schedule F, the minister would be given the power to revoke a private hospital licence at any time and to reduce or terminate any grant, loan or financial assistance without notice where the minister considers it to be in the public interest. No hearing or right of appeal presently provided under the Private Hospitals Act would apply. Again the minister is immunized from any legal liability in taking any of these actions.

In yet another example in the case of health, the present act prohibits any individual from communicating confidential information relating to a patient or former patient of a health facility, with very narrow exceptions. The bill provides that notwithstanding this protection, for any purpose prescribed by cabinet regulation, the minister can collect, use and disclose personal information. The minister can enter into agreements to collect, use or disclose personal information, and a licensee or other person must provide certain information, including personal medical information, to the director.

With regard to medication, the bill would provide the Minister of Health with a wider power to collect, use and disclose personal information, which might include information disclosing the type of medication prescribed for purposes related to the administration of the bill or for any other purpose prescribed by regulation.

The fifth example, to move away from the health area, is that the bill would provide for a process of overriding the actions and procedures of independent arbitrators to settle disputes regarding the terms and conditions of work in the fire, police, public service and school board sectors. It requires an arbitrator to use ability to pay as a criteria.

For people not familiar with labour relations, this sounds like a fairly harmless and perhaps even sensible thing, but it has very far-reaching implications. The purpose and intent of interest arbitration is to ensure that workers governed by interest arbitration in the public sector follow freely negotiated settlements in those sectors where parties have the full right to engage in free collective bargaining.

The criterion used by arbitrators to determine wages in the public sector is comparability with employees performing similar work for the same employer, with employees performing similar work for other employers and with employees performing similar work for employers in the private sector.

The proposed provisions constitute a significant interference with the independence and integrity of the arbitration process. Arbitrators have stated that basing an award on the ability to pay could render the interest arbitration process largely irrelevant, since the use of ability to pay could allow the government and employers to unilaterally determine wages and benefits by simply allocating a fixed or reduced amount for employee compensation in their transfer payments or budgets.

Arbitrators have also criticized the requirement to apply the ability-to-pay criterion on the basis that it requires public sector employees to subsidize public services through substandard wages, a situation criticized by all arbitrators as unacceptable.

Since there is no objective test for measuring a public sector employer's ability to pay, arbitrators have traditionally held that the ability to pay really amounts to no

more than willingness to pay. In this sense the ability-to-pay factor can be viewed as a subterfuge for wage controls. By imposing this criterion on arbitrators, governments may be able to effectively implement wage controls without doing so directly, thereby using arbitrators as a buffer to escape responsibility and accountability.

A sixth example: This bill would unilaterally take away pension rights of public employees. In the event of a major layoff, the Pension Benefits Act provides for full or partial windup for affected employees. This bill takes away the provision of the Pension Benefits Act for public sector employees in the event of major layoffs.

Again, this seems like an arcane factor, but let me just quickly sketch out what the Pension Benefits Act provides for all employees covered by it, which would be all employees, except public sector employees, after this bill would be passed.

The Pension Benefits Act requires employers to fully fund all benefits payable to affected members within five years of a partial windup. The government, by not allowing this provision, would have a much longer time to fund fully the benefits of terminated employees, thus saving the money but jeopardizing the safety of the employees' benefits.

The Pension Benefits Act deems all members affected by a full or partial windup to be fully vested by reason of the windup, so denying this to public sector employees means that short-service plan members would no longer be able to receive a pension rather than a simple return of their own contributions plus interest.

The Pension Benefits Act, on termination of an employees' plan membership, deems that an employer must fund at least 50% of the commuted value of the member's pension plan earned since 1986. For short-service members who have automatically been vested by reason of the windup, their contributions would exceed 50%, so by denying this protection of the Pension Benefits Act to these employees, the employer would take away the excess that the employees would otherwise be entitled to.

The point is—and I could go on with examples from the Pension Benefits Act—by denying public sector employees the protection of having their plans partially or totally wound up in the event of major layoffs, one is taking away rights recognized and accepted and available to all other classes of workers.

A seventh example: This bill would allow elimination of the public voice, that is, a referendum regarding privatization of public utilities in section 33 of schedule M. It says, "A municipal corporation may pass a bylaw to eliminate the requirement to obtain the assent of electors before the corporation exercises a power under this act."

An eighth example of denial of rights to the public: It takes away the rights of the poorest-paid women in our society. The Pay Equity Act, when it was introduced in 1987, provided for job-to-job comparisons, comparing a class of women workers with a class of male workers in the same establishment. If there was no comparable male class, then there was no pay equity. This has serious implications for child care workers, for nursing home employees, for children's aid society employees, for employees of transition services for women and children.

This was remedied in the 1993 act, which provided two additional ways in which there could be pay equity: a proportional method and a proxy method. A proportional method would say, "If there's not a comparable male category, find another male category, determine its value, then calculate the value of the class of women workers, figure out what proportion in light of their duties and responsibilities their work would be of the male class that has been identified and pay them proportionately."

That didn't solve the problem, though, for those workplaces where there is no other male class of workers, so a third method was introduced which this bill takes away, and that is a proxy method whereby the employer with no comparable male group and no male group on which a proportional method could be found has to find a proxy employer with a male group. The value of that work is calculated and then the value of the work of the original employer's female employees is calculated and compared to this proxy group and a basis is made. In other words, with this gone, essentially women in public sector workplaces where there are no comparable male groups are simply out of luck and, as I say, they're among the most poorly paid workers in our society.

These are just eight examples of powers that this bill either grabs for ministers or takes away from the public with the signature of a pen. At the same time as the bill does that, it gives new rights to corporations. I will just cite three examples.

One, it gives drug multinational corporations freedom to set their own drug prices. See schedule G. The bill would repeal altogether the power of the minister to regulate the price of drugs charged to anyone not covered by the Ontario drug benefit plan. The bill would rename that act, which is currently called the Prescription Drug Cost Regulation Act, the Drug Interchangeability and Dispensing Fee Act, under which manufacturers would be free to determine the price of drugs other than drugs provided under the Ontario drug benefit plan. The impact on individuals and on communities, especially communities in remote areas, would likely be substantial.

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A second example giving new powers to corporations: It gives mining corporations a lot of freedom when closing mines. Currently mining corporations are required to file mine closure plans and provide a combination of cash and letters of credit to deal with future problems after they've gone. This is replaced by a much softer provision requiring a closure plan, filing and spot check process to allow mining corporations to self-regulate mine closure activities.

The ministry approval is no longer even required, just the signature of a professional engineer, the financial officer of the corporation and the company's board of directors. The public is denied, through changes and limitations to the freedom of information, to access the financial information submitted by the mining companies relating to the establishment of financial assurances.

At a time when we're becoming more and more aware of the environmental consequences of mines and closed

mines, we're taking away the kinds of protections that are not even yet fully adequate and replacing them with a form of self-regulation. That is a guarantee of trouble in the future.

A third example is that this bill would open the door to American for-profit health care corporations. The bill would eliminate the requirement now contained in subsection 6(3) of the present Independent Health Facilities Act that preference be given to operate independent health facilities to non-profit Canadian operators.

In other words, this bill is an assault on democracy in our view. It denies, reduces and limits public rights; it increases corporate rights; and it grants to ministers virtually unprecedented, unbalanced, unconstrained power, which in our view is incompatible with a democratic society. It's for those reasons that we feel the only option is not to amend it or modify it but to withdraw it.

The Chair: Thank you for your presentation. You've left six minutes for questions: two minutes per caucus starting with the opposition party.

Mr Gerretsen: The one area where I have some sympathy is in the arbitration situation. I know where the government's coming from. Municipalities have been saying for years that their settlements are too high, that arbitrated settlements are too high etc, so they've basically said, "Okay, we'll put in this ability to pay," which I know can be used now as a total non-negotiating issue.

On the other side, though, I think it's also fair to say that from a municipal viewpoint, especially from a small-town Ontario viewpoint, there has always been this feeling that in an arbitrated settlement the unionized positions within that municipality end up at a higher-pay scale than many of the other positions. I'm talking about small-town, though, because the comparison is usually made with those positions in larger communities, where the cost of living is high. Where is the middle ground in that?

Mr Turk: The difficulty is that one has to look at this bill in terms of its overall impact. For many years it has been recognized that the most secure, the most appropriate way in terms of long-term relationships to deal with collective bargaining issues, labour-management issues is to let the parties work it out. Where workers are denied the ability to have full collective bargaining rights, then some form of interest arbitration has been introduced.

What this bill would do, and that's the difficulty, is fundamentally undermine that process. That is where arbitrators take ability to pay as a criterion or the criterion. First of all, employers have no reason to negotiate because they know at the end of the day what they have is going to be the basis of the settlement. So you take away any pressure to try to reach an agreement with their own employees.

Where that happens, one usually finds increasingly intensified conflict in the workplace, whether directly or indirectly. I think it's the principle that is at risk here, and I don't know a middle ground. But at the end of the day employers aren't able to settle and bargains don't get reached in collective agreements that are unsustainable over a long period of time.

Mr Cooke: I'm not sure I have questions. The presentation was fairly clear. One thing I would say is that after being in government for five years and hearing pay equity explained many times in cabinet meetings and P and P, you've explained it in the clearest way I've heard it explained. Certainly it has never been that way in government.

But the one area that you didn't touch on that I think has preoccupied some of the time of the committee, a fair amount of time of the committee in the Legislature, is the taxation shift with the user fees, potentially sales and gasoline and income tax, and I just wondered if you had any comments in that area.

Mr Turk: The difficulty, as you can appreciate, with a bill that's so far-ranging is that it's very hard to decide which of the things, and I thought that one would be one that many others would cover. We're really quite concerned about both the devolution of taxing powers to municipalities in the way this government is doing and their apparent unawareness of the implications of their own legislation.

The minister has been quoted on a number of occasions—I only have the press accounts to go by—that he didn't fully understand initially that the distinction between direct and indirect taxation was largely a meaningless distinction any more, that he was effectively giving municipalities the right to levy a poll tax or a head tax, and then to disdain any responsibility for it by saying, "It's up to the municipality if they want to do it, but I can't imagine they'd want to do it."

I guess our retort to the minister is, why would you give them the power if it's something no one would ever want to do?

The Chair: The government side. Mr Sampson.

Mr Sampson: Thank you very much. It indeed was a very good presentation, the lion's share of it relating to health issues, and I suggest, Mr Chairman, if we can pass that presentation on to the other committee, they might want to take a look at that in the form of a written submission, unless you've already spent some time in front of them or plan to do that. I think that would be useful to that group. I guess excerpts from Hansard or whatever would be appropriate.

My final question in the last minute or so, we clearly have a financial situation in this province that's not appropriate. We've got $100 billion in debt and a deficit prior to our government in the $10-billion range. What's the social justice of that?

Mr Turk: I would suggest the question is not the social justice of our debt and deficit, since debt and deficit is not in the interest of working people or the poor either, but rather the question is, how do we deal with that?

If any of us as individuals have a deficit problem, we can look at two sides of the balance sheet. We can look at how we can reduce expenditures, but we can also look at how we can increase income. Our criticism of this government is it's looking only at how we can cut expenditures and not at how we can increase income.

Mr Sampson: So is it your position that we should solve this problem by increasing the tax rates in this province? Is that what your position is?

Mr Turk: There are segments of our society that escape meaningful taxation. The changes in tax law over the last decade have meant a dramatic reduction in taxation on the wealthy, a dramatic reduction in taxation on corporations. We're one of only three jurisdictions—Canada, that is, is only one of three national jurisdictions that does not have a wealth tax. There are a variety of ways in which the tax system could be made fairer as well as generate additional revenue.

Mr Sampson: If the wealthy aren't paying taxes in your submission, how is it then it's unfair that they receive a share of the tax rebate that's coming, because clearly you must have to pay taxes—

Mr Turk: I'm not saying they didn't pay taxes. I'm saying the tax burden they are paying has been reduced significantly over the last two decades, and if one re-established what it was 20 years ago, one would bring in a good deal of additional tax.

But the other part of what I want to say, if I can do it briefly, is the measures being taken by this government to deal with the deficit problem, in our view, are going to exacerbate it. We have some evidence in the United States where Ronald Reagan's government came to power with a commitment to a dramatic decrease in tax rates—

Mr Sampson: Right, but he didn't cut expenditures at the same time. He just cut revenue.

The Chair: Excuse me, gentlemen. I hate to interrupt, but we've gone one minute over and we have strictly adhered to a 30-minute time limit. It would be unfair to other presenters to go beyond that. I want to thank you for appearing before the committee today.

Before we wrap up, I'd just like to note that we'll be meeting tomorrow in room 151 at 9:30, so you should bring your belongings with you.

Mr Gerretsen: At 9:30?

The Chair: Yes. There's a scheduling problem for the 9 o'clock. The 9 o'clock has moved to 9:30. This meeting stands adjourned until tomorrow at 9:30 am.

The subcommittee adjourned at 2100.

continued from overleaf

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Wood, Len (Cochrane North / -Nord ND)
*Young, Terence H. (Halton Centre / -Centre PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:
Cooke, Dave (Windsor-Riverside ND) for Mr Wood
Gerretsen, John (Kingston and The Islands / -Kingston et Les Îles PC) for Mrs Pupatello
Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître
Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Also taking part / Autre participants et participantes:
Bassett, Isabel (St Andrew-St Patrick PC)
Churley, Marilyn (Riverdale ND)
Crozier, Bruce (Essex South / -Sud L)
Newman, Dan (Scarborough Centre / -Centre PC)
Rae, Bob (York South / -Sud ND)
Silipo, Tony (Dovercourt ND)

Clerk / Greffière: Mellor, Lynn

Staff / Personnel:
Pond, David, research officer, Legislative Research Service
Richmond, Jerry, research officer, Legislative Research Service

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

Evidence subcommittee

Tuesday 19 December 1995

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Mardi 19 décembre 1995

The subcommittee met at 0930 in room 151.

SAVINGS AND RESTRUCTURING ACT, 1995
LOI DE 1995 SUR LES ÉCONOMIES ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficience du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

The Chair (Mr Bart Maves): Good morning, ladies and gentlemen. Welcome back to the standing committee on general government hearings on Bill 26.

Just a housekeeping matter for members of the committee: The Labour Council of Metropolitan Toronto was unable to attend yesterday, but they've provided a written submission, which should be in front of you. If not, we'll get you a copy.

ONTARIO MINING ASSOCIATION

The Chair: This morning we start with members from the OMA, the Ontario Mining Association. Gentlemen, thank you for being here this morning. You have half an hour for a presentation, which you can use as you see fit. We usually encourage you to leave a few minutes at the end of your presentation for responses and questions. I'd appreciate it if you'd start by introducing yourselves for committee members and Hansard.

Mr Patrick Reid: Thank you, Mr Chairman, and thank you for specifying that it's the good OMA, the Ontario Mining Association, as opposed to the other OMA. I'm Patrick Reid, the president of the Ontario Mining Association. With me are Peter McBride, our manager of communications, and James Fisher, our manager of environmental services.

The Ontario Mining Association has 43 members. We represent the producing mines in Ontario, as well as suppliers of equipment and services to the mining industry in Ontario. That includes landscape architects, among other things. Our mission statement is to help improve the competitiveness of the Ontario mining industry to ensure that there are investment and jobs in Ontario.

We have brought with us a publication that we do every two years called the Economic and Fiscal Contribution of the Mining Industry in Ontario, done for us by Ernst and Young. I will table with the clerk four copies, one for each caucus and one for the committee. It will give you some background on the economic and financial contribution of mining. We have mines in all parts of the province, and I believe Mr Crozier has a mine or two in his riding, so I'm sure he'll be particularly interested in these comments.

We will be restricting our comments to part VII of the act or the amendments now entitled Rehabilitation of Mining Lands. We are leaving comment on the other sections to the exploration community, which is more competent to make comment on those particular items. We're not, therefore, going to be discussing the claims and staking aspects of the bill.

We also will be tabling a more in-depth study on clause-by-clause later on with the committee. We won't be getting into that kind of detail here today.

The Ontario Mining Association believes that the changes contemplated in these amendments will improve the investment climate for mining in Ontario. We believe that certain initiatives in these amendments will improve the atmosphere in regard to mining, and we support these amendments.

We also want to make it very clear that we're very concerned about some of the things that have appeared in the media in regard to section O of this particular bill; we're not going to comment on other sections. We believe there is a great deal of misinformation out there, in various newspapers particularly, that seems to get printed in one and then repeated in others.

The OMA has written a letter to the editor of the Toronto Star in regard to Mr Walkom's column which it has not seen fit to print, but the Toronto Sun yesterday printed our rebuttal, if you like, to a column in their newspaper. Their editorial comment at the bottom was "Perhaps we should've dug deeper," ie, the Sun. We presume that means they should've done their homework a little better before making those comments.

We believe these amendments will provide more flexibility to the mining companies in terms of financial assurance, closure and return of title to the crown. We also want to make it very clear in regard to the misinformation in the press that we do not see anywhere where environmental standards are lessened and/or, to use the

phrase in some of the newspaper articles, trashed. There is nothing that we can see in this bill that talks about environmental standards. In fact, if you go through the bill, part VII, sections 139, 140, 141, in a lot of these things the standards are maintained, if not strengthened.

We have no trouble with reasonable, scientific-based, risks-assessed environmental standards in the mining industry, and we pride ourselves on our environmental record in Ontario. We're also going to table today some booklets called Sustainable Mining in Ontario produced by the Ontario Mining Association. I would add that the executive director, I believe, of the Conservation Council of Ontario has praised this report as being a good indicator of the state of what the mining industry is doing. We'll be producing a new one this year.

Specifically, if you look at section 141, it talks about filing a certified closure plan. "Certified" is a term that we presume will mean that a closure plan will have to be certified with a P.Engineering certificate, the financial assurance will have to be certified by an auditor, and the closure plan may require a certification from some officer of the company.

Obviously, this is a movement to self-regulation and more accountability and responsibility on the part of the mining companies. We feel we already meet those obligations, but we don't see how any environmental standards are lessened in any way in this bill as a result of that.

The bill talks in various sections of the act about prescribed standards. Obviously those are standards that are now in place and/or will be in place.

We've talked about certified plans. Again, if you look at section 139, it lays out in more specific detail what some of the adverse effects might be. Some of these things are tightened and strengthened, if you like, as opposed to weakened.

One further comment I would make is that mining is not a homogeneous enterprise; it's very diverse. We have a plethora of metals and minerals. Ontario produces about 40% of the revenues from mining in Canada. We have base metal minerals, we have copper, nickel, zinc, lead, we have precious metals like platinum and gold, we have industrial minerals like salt, nepheline, syenite and so on.

We are the premier mining province, and as part of the Canadian mining industry, we are probably the most technologically advanced and also, I might add, probably the most highly regulated of any industry. We've got more than six pages of federal and provincial regulation and legislation that relates to the operations of mines in Ontario and Canada. I think the cries that this is going to somehow have an adverse affect are, if I may use the term, groundless.

With that, I would like to say that that is really, at the moment, our presentation. As I say, we'll provide an in-depth review of some of the aspects of the bill. We're now available for questions.

0940

The Chair: Thank you very much. We've got six minutes a side, and we're going to start this morning with the third party.

Mr David S. Cooke (Windsor-Riverside): I don't have a lot of questions. I mean, who am I to question the former Liberal member for Rainy River?

Mr Reid: And the last one.

Mr Cooke: And the last one. I don't know a lot about this field. That's one of the problems of having such a large omnibus bill, that nobody can be expert in anything; we're all generic here.

But we have had presentations from the environmental community where they have expressed grave concerns about this amendment and concerns specifically about who will be monitoring to make sure that the self-regulation that's being put in place is real and that the environment is protected.

I'd just like to get your help in better understanding this. I don't have a mine in my riding. The closest thing is on the other side of the city, the salt mine, so this is not an area in which I have a lot of expertise. I have no expertise, would be a better way of saying it.

Mr Reid: I must say, things have changed since I was here. We never did say we weren't expert in everything, Mr Cooke. I think that's fairly refreshing. Part of that salt mine may be under your riding by the time you get back.

Mr Cooke: It's probably pretty close.

Mr Reid: I've heard that various environmental groups are concerned. I haven't seen their specific comments. If you look at the bill, the plans are going to be reviewed—that's one thing—so it's not as if they're just thrown into the black heap. As far as monitoring goes, part of that responsibility obviously is going to be on the companies to monitor. Under the old act and this act, they're going to have to file reports annually that I presume will be reviewed.

The good actors and the bad actors are pretty well-known to the regulators, whether it's this industry or others—unfortunately, we have a few bad actors—so those places that have a problem will still be providing reports and people will be reviewing them. If there's a problem, the company will be under more responsibility and duress, if you like, to bring them to the attention of the responsible ministry. It's not as if the entire civil service is disappearing. I think we'll probably—

Mr Cooke: Not because of this amendment.

Mr Reid: But let's be frank. Part of these amendments you're seeing are a result of government downsizing, and I think you're seeing it all over the world. It's forcing companies and industries into a more self-regulating, self-policing role, and God help those who don't do it properly. We have no problem with that concept.

Mr Cooke: Maybe you could just tell me, though, why this would be so positive for the industry. I'm not sure what the downsides are of the current system and what the positives are that are going to make Ontario that much more attractive to the industry.

Mr Reid: I guess in generic terms, we have six pages of regulation and legislation. There are federal inspectors, there are provincial inspectors and in some cases there are municipal inspectors. Sometimes a mine will have six or eight different inspectors from three or four different ministries show up in a week, and a lot of this stuff is,

shall we say, not as important as others and it has an adverse effect.

In the mining industry, you probably are aware that a lot of capital went out of this country—not just Ontario, but this country—in the last few years, particularly to South America and Asia, because people were fed up with what they saw as overregulation and contradictory legislation. This puts the onus back on the companies and the industry to meet the standards, but to do it in their own way; to come up with the best practice to meet the standards set by the government, instead of having 12 inspectors showing up every day saying, "God, you put that widget on left instead of right," whether or not it has any effect.

The Chair: Thank you. I have to move now to the members of the government caucus.

Mr Rob Sampson (Mississauga West): Thanks very much for showing up this morning; such short notice, I know.

Could you give us an indication as to the level of employment that the mining industry has in Ontario and what its contribution to Ontario's economic base is? I don't want to stick you to exact numbers, but if you can give me some ballpark figure.

Mr Reid: The mining industry, depending on prices, the revenues are about $5 billion to $7 billion a year. We have, Peter, what, 50 mining communities?

Mr Peter McBride: Yes, in Ontario it's 50.

Mr Reid: Fifty mining communities, and the total employment is about 30,000 people. The economic multiplier we always argue about, but it's probably two and a half to three times. It's a high-tech business and there are a lot of services and equipment that go into the mining industry. So while we're small in employment numbers, the economic contribution is quite large. If anybody wants their own personal copy of this economic and financial contribution, we'd be glad to supply it.

Mr Sampson: Over the, let's say, past 10 years, to pick a number, would you say that the industry has grown or has it tailed off in Ontario, so to speak?

Mr Reid: Tailed off, no pun there—tailings. It's had its ups and downs. The employment has gone down substantially. We are a high-wage sector and a high-cost sector. Our miners are the highest-paid industrial people in Ontario. The average wage is between $55,000 and $65,000 for a miner, and that's not counting bonuses, if they get them. When you contrast that with what miners get in Chile or Indonesia or wherever, our competitors—but we win out on technology and productivity. We've got highly trained, highly skilled people who are very productive.

Mr Sampson: How do we encourage additional growth in the mining sector in this province? Is this piece of legislation here, as it relates to the Mining Act, going to help your industry grow and attract investment?

Mr Reid: Yes, it will. The provisions for financial assurance—and perhaps I could take a second, because I used to be the critic for Mines and I didn't understand it even when I was the critic, so hopefully I do now. Financial assurance is a requirement that when you're opening a mine, you put up some kind of bond, letter of credit, cash or something that ensures the company will have enough money or assets to close the mine out when the day is done.

One of the things that was discouraging investments, particularly in some smaller operations, was the fact that if you had to put the cash up front, it made your return on investment very low or extended out the time before you started to make a profit. So it made the smaller mines that might have come into production not as economic or not as attractive, and for even larger operations, if you have to put a lot of cash on the table it's a disincentive to invest immediately, because developing a small mine will cost a company $50 million to $60 million; a large mine can be $300 million and up. So you're talking big numbers.

By the way, you still have to provide financial assurance, it still has to be approved by the Ministry of Mines, so those standards are still there, but it just gives us more flexibility and more options as to how we do it.

Mr Sampson: So this piece of legislation could be deemed to be good news for the smaller mining communities, developing mining communities, where we indeed, as a province, may attract some investment?

Mr Reid: I think it will go towards that end, yes.

0950

The Chair: Thank you very much. We'll turn to the members of the opposition.

Mr Gerry Phillips (Scarborough-Agincourt): I guess to paraphrase what was just said there, what I've heard from the mining industry is that the bill is something that you support and that it will have some fairly significant positive impacts on your industry. Is that fair to say?

Mr Reid: I think so, yes.

Mr Phillips: Does it concern you at all that if it's that important to the mining industry, as you've said, it's part of this huge bill; that it's I think the 14th section, you don't get to the mining industry until you've gone through 13 other sections; that in order to support your industry the members of the opposition are being asked to support releasing private medical records, introducing new taxes, taking away bargaining rights from firefighters and from police, giving the Minister of Health sweeping authority; that essentially in my opinion, and this is strong language, the reason why it's in there is so that people like you can come and say, "We're in support of Bill 26; we love it; pass it"?

In my opinion, it was deliberate. You're a major industry in this province. You employ an awful lot of people. You're important enough to have a separate bill, separate hearings. You've indicated this morning your concern about misrepresentation of the information in it. Is it any surprise that the news media have not had a chance to get into this in absolute detail down to the finest fine print?

I know that your industry will be at lots of our hearings speaking in support of Bill 26, understandably, because it will benefit your industry substantially. When you speak in favour of Bill 26, it isn't just the mining

provisions, frankly, that we are being asked to support; it's every other provision. I think that you're put in a very tough spot. No doubt you were asked to appear before the committee. No doubt you wanted to appear before the committee to support Bill 26. But that's not the only part that you are in the end supporting.

My question is this: If this bill is so important to the mining industry, would you support us having the bill split so we can deal with the various major segments of the bill and we can give the mining industry the attention that it's due? Would your industry support splitting the bill?

Mr Reid: Well, I'll put my political hat back on, Mr Phillips, and say I'd have to discuss that with my executive committee. We're not here necessarily to support Bill 26. We're here to support the sections dealing with the Mining Act. We haven't made any comment, nor have we read in any detail the other sections of the bill. I'm here—

Mr Cooke: Just wing it.

Mr Reid: I'm following your example, Mr Cooke.

Mr Phillips: I think your members can appreciate, I hope, the position we're in, and that is—

Mr Reid: I appreciate your position. I appreciate the government's position. My position is simply to say that what we are handed, section O of the bill, dealing with amendments to the Mining Act, we support. That's the long and short of it. The rest of you are going to have to sort out the rest of it.

Mr Phillips: Did you have some prior consultations with the government on the details of the bill?

Mr Reid: I'm sorry?

Mr Phillips: Prior consultations, before the bill was tabled, on the content?

Mr Reid: It was suggested to us that there were going to be amendments. The Mining Act advisory committee that's been toiling away lo these three or four years had discussed some of these amendments—in fact had, I believe, recommended some of the changes; not all of them. We had some discussion on the direction in which this bill might go and some of it, frankly, are things that we're on the public record asking for over the last few years.

Mr Phillips: What advice would you have for us when we say, "Listen, we aren't being asked to support the mining section; we're being asked to vote in totality of the bill"? I gather the industry hasn't looked at any other sections of the bill other than the section involving yourself. What advice does the mining industry have for us when we're being asked to have to vote for the whole bill and not just your section of the bill?

Mr Reid: I left this august body some 11 years ago because I was tired of trying to answer those questions and I really don't want to get back to trying either, thank you.

Mr Phillips: We have to answer it.

Mr Reid: Yes, I appreciate that.

Mr Phillips: The answer is that, in our opinion, groups like yourself are being exploited because it allows the government to say, "We've got these groups in favour of the bill," when in fact I think if your industry looked at all the other components of the bill, you'd say on balance, as an Ontarian, "We've have real problems with the bill."

Mr Reid: I'm not going to let you put words in my mouth, Mr Phillips. I've made my comments as to our opinion on what we've been asked to look at. We favour the amendments and the rest is not our problem at the moment.

The Chair: Thank you very much, gentlemen. Your half-hour has expired. I want to thank you again for appearing before the committee.

Mr Reid: Time goes fast when you're having fun.

Mr Phillips: It's real slow around here.

Mr Reid: Have a merry Christmas, all of you.

Mr Phillips: I have a different watch.

UNITED STEELWORKERS OF AMERICA DISTRICT 6 (ONTARIO)

The Chair: May I please call on members from the United Steelworkers of America. Good morning, Mr Lewis, and welcome to the standing committee on general government. You've got 30 minutes this morning to use as you see fit. Most presenters choose to leave some time at the end of their presentation to receive questions. I'd appreciate it if you'd introduce yourself and your organization for the committee members and for Hansard.

Mr Hugh Mackenzie: My name is Hugh Mackenzie. I'm the research director of the United Steelworkers of America in our national office. I'm here with Michael Lewis, who's the political action representative in the District 6 office of the Steelworkers. That's the office that's responsible for Ontario. I'm not going to read through the entire thing because I would like to leave some time to get into a discussion with you at the end of the formal presentation.

If I can start, let me just note for the record that Michael and I are here representing Harry Hynd, the Steelworkers director for Ontario; Tom Collins, the Canadian director of RW/Steelworkers, which is the service industry arm of the union; and our national director, Lawrence McBrearty. We got notice of the time of our presentation about 24 hours ago and they were not able to change their schedules to accommodate the committee and I apologize on their behalf to you for their not being here, but under the circumstances it was rather difficult.

In our formal presentation I provide some information about the union, which I'm not going to read because I'd like to leave some time for questions at the end.

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We'd like to start by thanking the members of the Liberal and NDP caucuses at Queen's Park, whose determination to resist the government's intention to ram through Bill 26 with little debate and no public input was entirely responsible for the existence of this process.

Bill 26 is an extraordinary bill. It amends over 40 individual pieces of legislation under 17 different schedules, all but two or three of which on their own would be

sufficiently controversial to merit extensive debate and public input.

It's also produced a lot of political contradictions right from the outset. For example, the bill has been described as a necessary companion to the economic statement of the Minister of Finance and bearing the same relationship to that statement as budget bills bear to a formal budget. But even a cursory reading of Bill 26 shows you that many of the changes that are proposed in Bill 26 weren't even mentioned in the economic statement, so they can hardly be described as being inextricably linked to it.

Bill 26 has also been described by government spokespeople as providing the tools needed by transfer payment partners to implement financial savings. Yet, most of the changes in the bill go far beyond the scope of savings or restructuring, even as they are defined by the government, into a kind of corporate and bureaucratic wish list of responsibilities to be evaded, public processes to be avoided and obligations to be shuffled aside.

How else can one explain the inclusion of such changes as the gutting of mine site rehabilitation legislation, the restriction of access to information and the elimination of requirements for local referenda in the Municipal Act.

But the biggest political contradiction of all is between the substance of the legislation and the economic policy it supports and the extravagant and now empty rhetoric of the so-called Common Sense Revolution.

Jobs instead of welfare? We've got less welfare—over 22% less—but no jobs.

No cuts to health care? "Not one cent" was the statement; we've got a cut of $1.4 billion.

No user fees for health care? You can call it what you want, but a drug plan copayment is a user fee, plain and simple.

No American-style medicare? Now the government talks about levelling the playing field between American and Canadian health care providers.

The promise of protection for classroom education? Gone. The cuts to education will be blunt, they will be across the board and there will be nothing in them to protect the classroom.

No new taxes? Let's see how people feel about that one when the municipalities are forced to use the new powers the government is giving them to replace cuts in provincial funding with a wide range of new user fees.

Democratization of public decision-making? What a joke that is now. The bill grants unprecedented powers to cabinet and to appointed officials to make decisions that will alter fundamentally the way our society works—decisions that will be made, if the bill is passed, without public input, democratic control or even effective judicial review.

In perhaps the greatest irony of all, the Common Sense Revolution, which was supposed to have been about too much government, turns out to have really been about more government intervention for anybody who either provides or consumes a public service and about a free ride for any business interest that wants to make a buck at the expense of the public.

The bill is such a huge document that we had a little bit of difficulty figuring out how we were going to deal with all of the specifics. Because the interest that we bring to the committee is, I guess, as much as anything else a public interest as opposed to a direct vested interest in the process, with the exception of the health care area, which we're going to return to in a different presentation, what we decided to do was to focus on some of the particularly egregious parts of the bill and to focus on those by way of granting or suggesting some awards for various pieces of the bill.

We put forward some awards in various categories. We were going to bring the awards with us, but we were worried about not getting past the security with them, so we thought we'd just leave them at home and discuss them instead.

First, the taxation-by-the-back-door award: expanded municipal user fee and tax powers. As everybody knows, Bill 26 grants sweeping new powers to municipalities to levy user charges, including direct taxes. Astonishingly enough, this would appear to permit municipalities to impose poll taxes—the very tax that sank Margaret Thatcher.

The bill permits the setting of fees that discriminate among different classes of people. The minister may make regulations disallowing specific taxes in specific municipalities, or disallowing certain types of taxes, but it is all subject to regulation and at the government's discretion.

The interesting thing about that point is that it conveniently lets the government off the hook in every way. It provides the politically expedient way out of its promise not to force the raising of property taxes. It shifts the blame to municipal governments for anything that's unpopular. If something turns out to be really, really bad or really, really unpalatable to friends of the government, it can disallow it by regulation.

The second award, the self-interested nastiness award: pension cuts for laid-off public sector workers. This is actually something that, in my regular line of work, I deal with quite a bit. As many of you may know, the Pension Benefits Act contains special provisions that apply in the event of a major layoff or a shutdown. These provisions are designed to avoid the situation where employees who are laid off, who lose their jobs through no fault of their own in some major restructuring or downsizing, find their pension entitlements eviscerated by that process.

What the act provides is that in the event of a major layoff or shutdown, the superintendent of pensions can order a windup or a partial windup of the pension plan, and when a windup or a partial windup is ordered, there are a number of special benefits that are triggered for the workers who are so affected.

One of them is that if the plan provides, for example, for early retirement benefits, the process essentially grants benefits of a value that would have accrued had the employee continued to work there. It doesn't affect the calculation of the service entitlement, but it does affect the timing of the payment and therefore the value of the benefit that someone receives when they're terminated.

The other provision that's of particular significance to public sector workers is that there's a rule that says that in a partial windup an employee cannot have paid for more than half the value of his or her benefit from his or her own contributions. Those two things combined can make a significant difference in the pension entitlements of people who are laid off.

The government of Ontario's decided to exempt itself from these provisions. What is unbelievably outrageous is that not only have they designed to exempt themselves from it, but they've decided to make the exemption retroactive to the beginning of January 1993 and to provide in the legislation that employers can actually get the money back from people who were given it under these provisions.

Now keep in mind that this is not, in the popular private sector parlance, feather-bedding for public servants. This is a right that exists in the Pension Benefits Act that applies to every worker covered by a registered pension plan in the province. It's being taken away, and it's being taken away solely for the purpose of gouging money out of people they have just pushed out the door. I think it's just incredibly outrageous.

The public access not award: restrictions on freedom of information. Again, this has gotten a lot of attention in the media. We just want to stress that nowhere in any of the debate, any of the discussion about this, any of the apologies for it by the various people who have attempted to defend it—there haven't been too many—has anybody suggested that this has got anything to do with saving money or restructuring, the two things that title the bill. It has to do with shielding more and more of what government does from public scrutiny and making it more and more difficult for private individuals to get information, even to the point of making it more difficult and more expensive for private individuals to find out what the government knows about them.

1010

The backwards step award: the elimination of proxy valuation in pay equity. Again, members will no doubt be aware that proxy valuation was brought into the Pay Equity Act because there were large numbers of women, an estimate of about 100,000, who worked in female-dominated workplaces who could not take advantage of the pay equity legislation because there was no male comparator. While there are obvious reasons why one might decide that if this were strictly a private sector operation, it's kind of tough luck because there really isn't any relationship between comparators in different employers in the private sector, in the broader public sector, since these are all taxpayer-funded and all under the general aegis of the province of Ontario, the concept of proxy funding was created so that comparisons could be made between different employers.

The omnibus bill eliminates proxy valuation comparisons and again, in what has to start to be seen as a hallmark of the legislative changes of this government, effectively makes it retroactive, because what it says is that even if you've already got a proxy valuation plan and you've even posted the adjustments, you can take them away. What that means is that any employee who benefited from a proxy valuation adjustment who hasn't had the fortune to have that adjustment incorporated in a collective agreement, and therefore not subject to being rolled back, can have it taken away, literally with the stroke of a pen. All the employer has to do is go up to that posting and cross out a bunch of numbers and write in a bunch of different ones. The legislation makes it clear that employers are not going to be bound by what was the law of the land until this bill came in.

The arbitrary power award: the municipal restructuring amendments. The powers that the government gives to itself with respect to municipal restructuring are just extraordinary. I know there are people in this room who have had some experience in the politics of municipal restructuring who will appreciate perhaps more than others the enormity of the dictatorial power that the government is giving itself in the municipal restructuring area.

It does cute little things. Like, even in places where there is a provision for a referendum locally to decide on, for example, the fate of a public utilities commission or a public utilities board, that's eliminated. I guess democracy's great when it works one way, but when it works the other way it's not so great.

The list of powers that the government gives itself in the area of municipal restructuring is frankly eye-popping.

The catch-22 award: restrictions on interest arbitrators. This is actually one which our union has some direct involvement with, because we have slightly over 2,000 members who work in the private sector, the long-term care sector, who are covered by the Hospital Labour Disputes Arbitration Act. Again, this is one of those things where the changes that are brought in in the bill simply deny the original purpose of the legislation.

The reason why we have interest arbitration in Ontario at all is because various legislatures in the past have concluded that it is not in the public interest for the workers in those facilities to have the right to be able to exercise their normal right to strike in support of collective bargaining demands. So interest arbitration was brought in as a substitute for that. The role of an interest arbitrator has been, in effect, to try to determine what the contract ought to be between the parties that appear in front of the interest arbitrator.

Bill 26 contains amendments which effectively could nullify that alternative, by introducing criteria which arbitrators have consistently found to be properly political in nature and not relevant to the interest arbitration process. The ability to pay sounds like a reasonable proposition for an arbitrator to consider until you realize that arbitrators have been unable to define it in the public sector, arguing that ability to pay in the public sector really means willingness to pay, something that is unilaterally determined by the employer.

Requiring arbitrators to take into account potential public service cuts again places the arbitrator in the position of making decisions about service cuts that should be made by politicians who are accountable to the public. In both cases, I think the position of arbitrators would be that the kinds of things they're being instructed

to take into account by this bill are properly decisions that ought to be made by politicians and not by arbitrators. If arbitrators, for example, were to start ordering hospitals to shut beds or ordering police departments to close down stations, I think the public too might get the idea that maybe arbitrators shouldn't be making those decisions.

The last award is the "Let's see if we can squeeze this one in" award. This one was a tie. We couldn't decide whether the special earmarked fund for hunting and fishing fees or the gutting of the mine site rehabilitation regulations was a better example of people seeing a legislative train rolling along that looked like it was going to move through pretty quickly and throwing as much on to it as they possibly could.

A number of members of our organization in mining communities have asked to make an appearance before this committee, I think in Sudbury, to discuss the mine site rehabilitation issue in greater detail, because it does raise quite profound issues about the way northern Ontario has developed and about the way the interests of the public and the mining industry are balanced.

Let me just make a couple of comments. The special fund for hunting and fishing fees, to my knowledge, would be the first earmarked fee that we've ever had in Ontario. It struck us as kind of a curious first one to have because those kinds of earmarked funds raise a whole lot of questions about the way government is run that I don't think anybody has adequately answered. It certainly hasn't been adequately answered in a parliamentary context.

One of three things can happen when you set up one of these dedicated funds. One, nothing happens, nothing changes. In other words, it just becomes an accounting exercise where the bureaucrats who put together the budgetary documents have another balancing total that they have to tote up, in which case all that's happening is that people are being fooled into thinking something is protected that really isn't.

Another alternative is that it may result in less money being spent on these activities. As a fund starts to be known as the only source of money for a particular activity, it may be that we end up spending less money on protecting fish and wildlife than we ought to.

The third option is that we end up spending more money on fish and wildlife protection than we otherwise would have. It seems to me that it raises the obvious question, that if a fund is going to result in more being spent, why should spending on fish and wildlife be singled out for special protection and, say, not spending on child welfare or something like that?

Finally, the changes to the requirements for mine site rehabilitation raise even broader issues of environmental responsibility and community involvement in northern Ontario. They attempt to end abruptly a debate that has gone on for decades, and they do so firmly and completely on the side of the irresponsible minority of companies in the mining industry that refuse to take their environmental obligations seriously, creating the potential for an environmental race to the bottom right here in Ontario.

To wind up, there's a theme running through the many disparate elements of this bill. Bill 26 grants government unprecedented power to make decisions that will affect the very fabric of life in this province. It gives government and officials extraordinary arbitrary powers to make decisions that affect consumers of public services, producers of public services and individual citizens who seek information from the government itself, and it does so in a way that veils those decisions from public debate. Ironically, and perhaps predictably, the bill itself does that, even with this process that has been forced on it by the opposition parties.

Bill 26 is not about less government; it is about less scrutiny. It is about less democracy. It is not necessary even for the purposes that it was announced for and it should be withdrawn.

The Chair: Thank you for your presentation, Mr Mackenzie. We have two minutes and 20 seconds per caucus, starting with the government caucus.

1020

Mr Joseph N. Tascona (Simcoe Centre): The changes to pay equity in terms of proxy, I'd like to ask you, can you tell us about the experience of any other jurisdictions that use proxy?

Mr Mackenzie: I'm not an expert on pay equity, so I can't.

Mr Tascona: I can tell you that Ontario is the only jurisdiction that has the proxy comparison method.

Mr Mackenzie: And what's the point?

Mr Tascona: The point is that we're just moving in line with every other jurisdiction in this country with respect to not having proxy comparison.

Mr Mackenzie: Let me make two points on that. One is that the proxy valuation comparisons applied to the broader public sector. They did not apply to the private sector. I really don't see what the relevance of comparisons between Ontario and other jurisdictions is.

Secondly, that comment doesn't get around, doesn't obscure, the basic point of how outrageous it is that legislation would be brought in effectively to extinguish rights that accumulated in the past. The legislation is clear that even if you've got a proxy valuation adjustment that's been posted, it can be withdrawn. Our view is that that's just an outrageous application of retroactive power.

Mr Tascona: The proxy employers are still required to pay out more than 3% of their 1993 payroll. These employers are still obliged to pay out this amount, up to 100% government-funded, so the government is living up to its commitments with respect to pay equity.

The Chair: Thank you, Mr Tascona. Unfortunately, the time is exhausted. Let's move to the opposition side.

Mr John Gerretsen (Kingston and The Islands): In your awards, the award that you didn't give out was the TVO Studio 2 Commentator of the Year Award. Maybe you have a comment on that as well.

Mr Mackenzie: I assume you share my mother's view then.

Mr Gerretsen: Oh, I see. Okay. I'm sure that's true.

I take it in your capacity you've had an opportunity to make presentations etc with respect to a vast variety of

legislation that has come through the system over the last number of years. Is that correct?

Mr Mackenzie: Yes. I think it's fair to say I've been around this place in various capacities for a long time.

Mr Gerretsen: Have you ever seen a bill that deals with as large a variety of areas of public interest as this particular bill, which deals with health issues, with municipal issues, with mining issues, with privacy issues, with public sector disclosure issues? You can just go on and on and on? Have you ever seen a bill quite like this, packaged in one omnibus bill?

Mr Mackenzie: I've never seen anything remotely like this. As we said in the brief, there are at least 15 really important issues of fundamental public policy, and each of them on its own would merit extensive public debate, a lot of public discussion, and frankly contain proposals that in my view would be extremely vulnerable to even the most cursory public discussion. It's just extraordinary.

I also think there's been no justification advanced for it other than, "We wanted to get it all through before Christmas." I think one of the reasons why we've got these bizarre things like the Mining Act amendments thrown on to this is that various people realized there was a big legislative express train headed through and it looked like they were going to be able to get it all through by Christmas, so "Let's see what we can throw on it."

Mr Gerretsen: That's what the last presentation was about, as a matter of fact. Thank you very much.

Mr Tony Silipo (Dovercourt): You conclude your presentation by asking that the bill be withdrawn, and I think certainly as far as the opposition parties are concerned, that would be our wish as well, for virtually every one of the reasons that you have outlined in your brief and many others. But I think the reality is that the government is probably not going to agree to that. Given that likely scenario, what, if any, advice do you have for us?

Mr Mackenzie: There are so many dimensions in which the bill is offensive it's hard to pick any one that one would say ought to be addressed first, and it's also very difficult to get your head around making constructive suggestions when the principle is so offensive. But I guess amendments that get rid of some of these proposed changes that are so transparently extraneous to the announced purpose of the bill would be positive, and amendments which force public scrutiny, public debate and public decision-making on some of these arbitrary powers that the cabinet's given itself I think also might be helpful.

The bill in fact goes in the opposite direction, pulling these things out of the public purview, out of the realm of public debate, and I think that, at the very least, things that made it easier for the public to have its say and perhaps even to exercise some control over how these powers are actually executed would be at least a small step in the right direction, given the fact that the thing generally is a complete disaster.

As I say, it's hard to get your head around which of the pieces of it are the worst, but I guess, given the premise on which the government says it's operating, amendments that work to democratize the process and to make it more transparent to the public would certainly be helpful.

The Chair: Thank you, Mr Mackenzie, for appearing before the committee today. Time has expired, and we appreciate you showing up today.

May I please ask for Kyle Rae, a councillor from the city of Toronto to come forward.

CITY OF TORONTO

The Chair: Good morning, Mr Rae, and welcome back to the standing committee on general government. You have 30 minutes today to make a presentation, and you can use that time as you see fit. Most presenters choose to leave some time at the end of their presentations for questions. I would appreciate it if you would introduce yourself and your companion for the sake of the members and for Hansard.

Mr Rae: Good morning, committee members. I'm Kyle Rae, city councillor for ward 6, and this is Mary Ellen Bench from the solicitor's office at the city of Toronto. For members of the committee who called or whose staff who called earlier this morning wondering whether or not I was here in an official capacity, in the documents you've got in front of you, tab 8 shows the council resolutions concerning Bill 26 and its request for me to attend.

I would like to thank the committee for the opportunity of presenting the city of Toronto's comments on the proposed Savings and Restructuring Act, 1995, Bill 26. At the outset, I must indicate clearly to the committee that my comments are somewhat incomplete due to the all-encompassing and very technical nature of the bill and the late date at which it was made public by the provincial government, and due to the fact that several substantive provisions in the legislation are subject to the minister's right to make regulations. As proposed regulations have not been made available for view, it is very difficult to comment in any other way.

Highlights of Bill 26 were considered by city council at its meeting yesterday, December 18, 1995, and city council has authorized me to attend before you and present council's position regarding motions adopted by it. One motion adopted by council which was proposed by the mayor is "that the province be requested to conduct further public hearings in the city of Toronto in January 1996," to allow for proper input.

As this committee is aware, the normal provincial proceedings for announcing committee hearings in the newspapers was not followed with respect to the hearings schedule this week and very little opportunity was provided for the public to get to the speakers' list to make presentations before this committee. As well, as I have previously stated, further time is required to properly consider the complex matters addressed in the bill. Given the short time allotted for making oral comments, I will highlight only some of the recommendations contained in the city of Toronto's written submission. I

urge committee members to read the entire written submission, because it addresses other issues which should be reviewed and clarified prior to the passage of the proposed legislation.

1030

The city shares some of the province's goals and objectives in achieving fiscal savings and promoting economic prosperity through public sector restructuring, streamlining and efficiency. As members of this committee may be aware, the city of Toronto is in the process of implementing a new administrative structure for the city which also supports these goals and objectives. With this shared purpose in mind, I wish to make the following comments.

It is the city's concern that the powers of the minister are extensive and extremely broad. The powers granted to municipalities under Bill 26 can be taken back to the minister because of the powers retained by the minister to make regulations. In this context, it is difficult to reach any substantial conclusions. The committee should know that city council is extremely concerned about the concentration of powers in the Minister of Municipal Affairs and Housing and the discretion given to the minister under Bill 26.

The city views a general licensing power as a significant improvement over the current hodgepodge of licensing powers contained in the Municipal Act. The specific provisions of the proposed general licensing authority, which clarify the ability for municipalities to place conditions on licences, are supported by the city.

As members of the committee may be aware, the provisions of the Municipality of Metropolitan Toronto Act, commonly referred to as the Metro act, place authority for licensing businesses and trades within Metro under the jurisdiction of the Metro Licensing Commission. In most other municipalities in the province the licensing of businesses is the responsibility of the local municipality, not the upper tier. This makes sense because business licences issued are interrelated with municipal zoning bylaws and other regulatory bylaws such as noise control, which are regulated at the local level, as well as the responsibility for enforcement of the building and fire codes at the local level.

Prior to issuing a business licence, the Metro Licensing Commission must seek the city's input with respect to such regulatory matters. Metro Licensing does not always do this, and this has caused a number of problems for the city; that is, the courts have refused to grant the city an injunction where land was used without the necessary site plan approvals in a situation where Metro had issued a business licence citing the owner's expectation that he could carry on business once he received a Metro licence.

If the authority to issue licences for business in general, or specifically for businesses having a significant local input, such as restaurants, adult entertainment facilities, entertainment facilities in general and street vending, were transferred to the city, the city could benefit businesses, providing them with a one-stop-shopping opportunity where they could apply for all necessary permits and licences at one place. The city could also be able to best ensure public input and conditions that meet the city's regulatory bylaws that are imposed. This would translate into a faster turnaround time to get all permissions necessary for businesses to open, for one-stop licensing and for greater public input.

In order to achieve this, the city's brief sets out a proposal to add a new section, 216.1, to the Metro act that would allow local municipalities the option to assume all or certain powers to licence, regulate and govern businesses within the local municipality. That's tab 3.

In its brief, the city has also commented on the proposed new section 209.4 of the Municipal Act, which would allow a local municipality to assume an upper-tier power. The city is recommending that this provision be amended to allow a local municipality to pass a bylaw to assume an upper-tier power within the confines of that municipality so that local municipalities within a regional structure could act independently. This could be another way of achieving the same result.

I must also stress that the city's proposal to transfer certain licensing powers now held by the Metro Licensing Commission to the local municipalities for the reasons given is in line with the province's objectives of achieving fiscal savings and promoting economic prosperity through public sector restructuring and efficiency. It has also been the stated belief of many members of the provincial cabinet that local authorities are the most responsive to local concerns.

As an alternative if the city's request is not supported, I must advise the committee that one of the city's principle concerns outside of economic efficiency and public service is that the new general licensing powers, which include the power to licence, regulate and govern businesses, could conflict with regulatory powers of the city under the Planning Act and the Municipal Act relating to such matters as zoning, site plan control and noise control. As a minimal requirement, the city is recommending that section 216 of the Metro act be amended to clarify that the licensing commission cannot issue licences to businesses in contravention of any regulatory bylaws in force in the local municipality in which the business is located. Again, this recommendation is set out in greater detail in the brief.

Another area of particular concern to the city is the proposed changes to the renamed Ontario Municipal Support Grants Act. The proposed legislation takes away the per-household grants customarily provided to municipalities and replaces them with a general authority for the minister to make grants or loans or provide other financial assistance to municipalities. These changes will provide greater flexibility to the minister, but cannot otherwise be assessed because sufficient information is not available to determine what this will mean to the city of Toronto. The proposed legislation is clear that the minister does not have to treat all municipalities equally in providing grants, loans and other financial assistance. Additionally, the proposed legislation makes it extremely difficult for municipalities to assess what kind of financial support they can expect to receive from the provincial government, which is a concern to the city as it goes through the 1996 budget process.

Finally, while the provision of health services and drug benefits are not within the city's direct authority, city council is concerned with the impact the proposed legislative changes set out in schedules G, H and I will have on residents of the city. City council is therefore requesting that these legislative changes be abandoned.

As I mentioned at the outset of my presentation, I have been able to highlight only part of the city's written submission to Bill 26, and that submission is incomplete, given the time available to review a very complex series of legislative changes without the benefit of the accompanying regulations. Having said this, I will once again urge the committee members to read the city's entire written submission. I hope the comments and recommendations of the city of Toronto will be given serious consideration.

Thank you for your time and attention, and myself and Mary Ellen Bench would be pleased to respond to your questions.

The Chair: Thank you very much, Mr Rae. We have about six minutes and 30 seconds for each caucus, starting off with the opposition caucus.

Mr Phillips: I appreciate your being here on behalf of city council and I appreciate the work that council has done so far on the bill.

One of the areas we're interested in is the whole area of fees, charges, and we think even taxes, on a couple of points. One is that it's clear in looking at the minister's compendium, as it's called, the explanation of the bill, that the intent is to give virtually unlimited flexibility for municipalities to charge fees, charges, and we think also taxes.

One of the concerns is it's clear—he said yesterday that the intent was to allow municipalities to raise revenue this way—that we're going to have quite an interesting structure around Ontario as you cross over one municipal border into another. You've got quite a hodgepodge of fees, charges.

Has the council had an opportunity with their legal advice to look at interpreting the clause on fees and charges? Yesterday I think Mayor McCallion indicated her legal people said they interpret it to mean that they could impose a gas tax, a sales tax and virtually any other tax except income tax. Has legal council at city of Toronto looked at this provision, and have you reached a conclusion on what would be possible under this provision?

Mr Rae: We have looked at it. It was under discussion yesterday, but I think it would be best to have our legal counsel respond.

Ms Mary Ellen Bench: In looking at it, I think we agreed generally with the comments. It appears broad enough by the language that a tax or a charge that's in the nature of a direct tax is allowable. That would include a retail sales tax that's an upfront, after-market charge similar to the Ontario retail sales tax, or a poll tax or a head tax, an income tax as a direct tax. It throws it wide open in terms of what could be charged. However, again, that's subject to the right of the minister to make regulations to permit or not permit charges, so it's really difficult to know where we would stand in the end.

One of the recommendations in our brief is that this be clarified, that if there's no intent that a poll tax or similar charge be allowed, that be stated clearly in the legislation.

Mr Phillips: But your view is, as the language is written, that those things would be permitted.

Ms Bench: As it's written, it's allowed.

Mr Phillips: Unless excluded.

Ms Bench: Yes.

Mr Gerretsen: Do I take it then that basically one of the problems you have with the municipal sections deals with the fact that although it appears that obviously municipalities are getting more power, the minister in effect can take any of these powers away by regulation at any time he feels that any of these taxes or charges are "unfair," whatever that means, as he said yesterday?

Mr Rae: Precisely. That was the major concern raised by members of council yesterday, that it did look quite appealing, quite enticing to a municipality which perhaps over the last 10 or 15 years has been trying to get legislation through the province and has been unable to get effect to some legislation; for example, the idling bylaw to get control on the buses that belch all their fumes into our streets. We've never been able to get Queen's Park to move on that. You're prepared to open up the door, but you're going to have ultimate control of it. It is, as I said, quite enticing, but the capriciousness of a Minister of Municipal Affairs can throttle any opportunity that we would like to take.

1040

The Chair: Bruce, three minutes.

Mr Bruce Crozier (Essex South): Mr Rae, thank you for appearing. Just for the record, I wanted to refer to your tab 8, where city council has made certain recommendations with respect to the bill.

Number 1 is that you're stating your opposition to Bill 26. Number 2, you've requested that various schedules of the bill be separated to allow for better public understanding and debate of the changes. Number 5, you've commended the opposition parties for their action to defend the public interest in the matter of the bill, and we appreciate your comments there. And number 9, you have requested that the provincial government, in spite of the fact that these hearings are set up as they are, conduct further public hearings in the city of Toronto. I appreciate those recommendations and comments.

I did, though, want to refer directly to tab 6 under the Ontario unconditional grants and get your opinion. Under section 30 of the act, the Ontario municipal sport grants, the minister, although they're going to give you these unconditional grants, then can establish standards for activities of municipalities, including provisions of services. In other words, we'll give you these grants, no strings attached. It appears, though, there's a great, big rope that says: "But if you don't do what we think you should do, we can withdraw the grants. We in fact can ask you to pay them back." Could you comment on that section, please?

Mr Rae: That was also raised yesterday at debate at council. It's again the appealing part of this, but also the

stick that's going to be wielded when we start exercising our muscles on how to deal with the restructuring in Ontario.

One of the concerns we have is that over the last six months there has been a chill that has fallen upon the city of Toronto and it's been since the government has taken office. There is a feeling, whether rightly or wrongly, that the city of Toronto is under attack, that the provisions of services, the level of services that we provide, are considered rich compared to what's happening in the rest of the province. That kind of disparity, I think, we're beginning to feel is hitting us very hard. People of this province in need often come to this city.

Mr Crozier: Even the town of Harrow would feel under threat.

Mr Rae: The people in North Bay without a family come to live on Yonge Street, and it's very difficult for us to meet their needs.

The Chair: Sorry, Mr Crozier, that's the end of your seven minutes and we have to move on to the members of the third party.

Mr Silipo: Thank you, Councillor. Just to pursue this issue of the direct taxes—and it's helpful to hear what your city solicitors are telling you. In fact, I would ask, if possible, if you could give us something in writing, a legal opinion from your city solicitors, because we had a discussion yesterday in committee about that and there seems to be some reluctance on the government side to get additional legal opinions. It would be helpful for us if you could provide that, not necessarily now, but obviously at some point, an analysis that you've done of those sections.

Ms Bench: Our conclusions are stated: If you look at tab 8 of the submission, there's a report from the legal department with an 18 at the front of it, and there's a chart attached to that report, and page 13 of the chart—

Mr Cooke: Something that maybe fleshes it out a little bit more.

Mr Rae: Maybe in prose rather than in tabs.

Mr Silipo: Yes, that would be useful; I think that would be helpful. Whatever additional information you could provide to us there would be quite helpful, but what I wanted to pursue was, given the advice that your counsel has given you about the right of councils now to impose income taxes, sales tax etc, I just want to pursue the one recommendation that you have for us under that part, which is, I think, in tab 4, which is that you're asking for an amendment to explicitly prohibit the imposition of a poll tax or head tax.

I just want to pursue, by omission therefore, the fact that you're not asking us for changes that would explicitly prohibit the imposition of income taxes or sales tax. Can we take that to mean that the council would be interested in imposing those taxes, or has any discussion along those lines taken place?

Mr Rae: There were some members of council who did raise this, but I don't think it was fully fleshed out and it could be by omission rather than by intent. As I said, we dealt with this very quickly. As I also said, it is so wide-ranging that members of council had to grab pieces of it and try and wrestle with it. So we may not, as I said, have dealt with it as fully as we would like.

Mr Silipo: The other interesting point that you flag on this is the powers of the minister to decide by regulation what you can and can't do even after they've given you the power to do it. Ironically enough, this would seem to us to be probably the only instance where a government would be able to make decisions around taxation by regulation.

Ms Bench: I'm not aware of another instance where a provincial government would be able to make decisions on local taxation the same way as this, outside of setting the standards in the Assessment Act, for example.

Mr Silipo: It would be in effect—it's not stretching it to call this "taxation through regulation"?

Mr Rae: Given that the minister will have final authority and do this without consultation, I think you're correct that through regulation these can be imposed.

Mr Silipo: Another area I wanted to pursue was the issue of amalgamation of municipal powers. I think I'm quite aware of the position the city has taken with respect to the future of Metro etc, but I'd like you to comment a little bit further on the approach that's taken in this bill that it seems to us would allow various lower-tier municipalities in Metro Toronto to assume one or more of the powers of another local municipality, as we understand it.

Perhaps you could just give us your sense of that and whether you think this is the way in which the restructuring in Metro, or indeed throughout the province, should be taking place as opposed to a separate piece of legislation that says: "This is what the government thinks we should do. Let's have debate and public opinion and discussion on that."

Mr Rae: I must tell you that it is not clear at all from this legislation what the intent is. Lower tiers would be given ability to take over upper-tier operations; upper tier would be allowed to take over lower tier. There is no direction in this at all. It opens up to either process of local municipalities taking over responsibility or regional municipalities taking over lower municipality function. This goes back and forth. There is no clear indication, no policy direction from the province on this. It depends on what will be the most advantageous at a given time.

Mr Silipo: We had been given to understand at one point that the provisions that were in here around restructuring did not in effect apply to municipalities within Metro. Is that in fact your reading of it and could they apply to—

Mr Rae: They could apply to Metro, but it's a very complex process. If the city of Toronto were wanting to take over the Metro licensing, we would have to have the agreement of the majority of the other municipalities in Metro. North York, Etobicoke and Scarborough would have to agree and they'd have to have more than 50% of the population to be able for us to take that, as I recall from the discussions at council yesterday.

On top of that there may be some regulation, some of it in place, that if we were to take, for example, the running of Metro parks in the city of Toronto, if we were to do that, we would also have to run all the parks in the rest of Metro.

The Chair: Thank you, Mr Silipo. That has exhausted the time. The government caucus. Mr Hardeman.

1050

Mr Ernie Hardeman (Oxford): First of all, you expressed some concern that the minister is giving too much power to the municipalities for local autonomy to deal with the fiscal situation, and then in return you're concerned that the minister retains the power to take that away again. Is the position of the city that we should just go halfway, and should the minister's power by regulation to govern the imposition of these fees not be in place? Should the autonomy be granted and left that way?

Mr Rae: I think the city would say that you have the ability to change the way in which we operate as municipalities. We are creatures of the province. However, we don't know what the regulations are going to say, so it's very difficult for us to comment on them. You've left it so wide open and you make it appear like the cities and municipalities of this province will finally be able to have some authority or some licence from the province, yet the minister will retain significant powers to curtail our ability to move in that new direction. We don't have a crystal ball and we don't know, given the changes in ministers, how they will be received by each minister as they come and go. Since it dwells so centrally in the minister's hands instead of in a public domain, I think that's our problem.

Mr Hardeman: Is it the city's submission that the government closest to the people is the most accountable to the people and it would be reasonable to assume that as many jurisdictions as could be put in the hands of those politicians closer to people should be put there—local autonomy?

Mr Rae: I believe that. Also, the Minister of Municipal Affairs has said that on several occasions.

Mr Hardeman: I guess my question is whether you would agree with the Minister of Municipal Affairs.

Mr Rae: I do agree with him.

Mr Hardeman: So, without the regulations, is it your submission that the bill is doing that?

Mr Rae: We don't know, because we don't know what the regulations are saying. There is good intent, but we don't know, given who's going to be pulling the strings, what the final intent is of the government. It's giving and taking at the same time.

Mr Hardeman: Hazel McCallion, the mayor of Mississauga, was in yesterday speaking to us and she said she thought the bill finally got the province off the backs of municipalities. Would you agree or disagree with that?

Mr Rae: I would say members of council are quite interested in seeing how far we will be able to restructure within the intent of this bill. But looming overhead is, how far can we go and what kind of retribution will be taken on the city if we go too far in the mind of the minister? There is a Big Brother idea looming behind this. You are elected as we are elected. People in our constituencies expect us to provide services. But if we're trying to second-guess the direction of what's going on in the province, it's very difficult.

Mr Hardeman: The other part I think you mentioned, Mr Rae, was the issue of transfer of powers from upper tier to lower tier and vice versa. Your suggestion was that it needed to be opened up so it would be easier for Toronto to accept powers from the region or from Metro and the other way around.

Mr Rae: That's in the bill.

Mr Hardeman: Yes, it's there, but you seem to imply that it was too restrictive, that you wanted to be able to do it unilaterally, to have Metro take power or to have Toronto assume power from the upper tier more easily than it is in there. But do you not have a concern that it would become a hodgepodge, one municipality wants it from the upper tier and the next municipality wants to give it to the upper tier and the upper tier can't do it unless they do it for all?

Mr Rae: That's the case already.

Mr Hardeman: Wouldn't you suggest that the position of the bill would solve that problem, that it has to be universal and that it has to be the majority of municipalities making the decision?

Mr Rae: The hodgepodge exists today, and I think that the hodgepodge may work, though, in different parts of this province. I don't think imposing one ideal across the province is a worthy pursuit. I think there are better things you could be looking for in terms of savings and efficiency.

Our recommendations on this very issue are on page 3 of tab 4, concerning local municipalities assuming powers in their own area. I think the city of Toronto is very clear about its relationship with the Metro Toronto system, and we see some merit in your recommendations that will allow us, or hopefully will allow us, to make those changes to be a far more efficient city.

Mr Hardeman: There has been a considerable discussion on the issue of whether the bill allows charging of certain types of taxes and so forth, and there are differences of opinions on that. Reading the chart that we have here, I would gather from what's in here that it doesn't imply that you can charge all types of taxes, though it's not very clear and I appreciate the opposition requesting a written legal opinion to clarify that.

But if it was so, would you have any recommendations as to what could be—first of all, I want to point out that I think the mayor of Toronto has said that they were not in a position to be adding, or were not going to be adding, any new user fees or poll taxes even if they were allowed. Could you give us any suggestions as to what you would put in that would prevent that from happening?

Mr Rae: Unless it were imposed by Queen's Park, I don't think members of council would, of their own volition, introduce user fees. I don't think there's an interest on the part of council, so if we don't wish to use them we will not use them.

Page 13, which we referred to earlier, talks about our analysis of the tax situation. I have not heard members of council talking about user fees as an alternative, but it's quite clear, I think, to the public that user fees are another form of taxation. You would be doing what the federal government has been doing to you, and that is handing off responsibility. In doing this, in providing us

with the latitude to impose user fees, it's a far more comfortable term than a tax, but it will work in the very same manner.

The Chair: Sorry to interrupt, Mr Rae, but we've come to the conclusion of the half-hour and we're sticking quite strictly to that time.

Mr Rae: I understand.

The Chair: I want to thank you both for appearing before the committee today.

BOARD OF TRADE OF METROPOLITAN TORONTO

The Chair: Can I please call on members from the Board of Trade of Metropolitan Toronto to come forward. Just quickly, to members of the committee, each caucus is responsible for dividing up its own time, so members of the government side might take note that if you want two people to speak, you should get together on that to divide the time up.

Mr Gerretsen: Good ruling.

Mr Phillips: Don't let them bully you.

Mr Gerretsen: That's right. Take a stand, Mr Chairman.

The Chair: Good morning, gentlemen, and thank you for coming today to appear before the standing committee on general government. I'd appreciate it if you would introduce yourselves and your organization for the sake of the committee members and for Hansard. You have half an hour to use as you wish. You may want to leave 10 or 15 minutes at the end of your presentation for questions.

Mr Michael Lauber: Thank you very much, to the members of the committee. Just to do introductions, I'm Mike Lauber. I'm volunteer vice-president of the board of trade. To my immediate right is Ross Dunsmore, also a vice-president of the board of trade, a volunteer as well. To my left is John Bech-Hansen, who is the board economist, and on my far right is Jim McCracken, who is a board policy adviser.

Gentlemen, we will deal with the municipal section and we will deal with the interest arbitration. Our paper makes reference to the pension area as well, but we won't talk about that today. I know health is being dealt with separately, and our paper does not deal with health either because the board currently does not have a committee on health and we really don't have the expertise to deal with that.

We're looking at a bill here which is obviously very vast in scope and I could see having some unforeseen consequences which could jump up and bite us as time goes on. Some of the provisions that the people might be most concerned with could be dealt with by having sunset clauses built into them.

Generally speaking, though, we support user charges for the municipalities, licence fees and so forth. We also support the ability to privatize certain services and for far more authority for the municipalities in that particular area.

GTA restructuring: We've been very active in putting forward papers to the Golden commission and to the government in dealing with the restructuring of the greater Toronto area. It's partly in response to that initiative and our feeling of the absolute necessity to fix the tax base in Metropolitan Toronto and the greater Toronto area and to restructure the political level that we are supportive of this minister having powers in order to make something happen at that level. I think it's very essential that we accomplish a restructuring in the next year. It will take some decision-making and ability to make decisions in order to make that happen.

1100

The municipalities have been traditionally children of the province. Certainly the larger municipalities have grown up and are very sophisticated governments and I don't think need to be treated that way. I think it is proper that the province is recommending a reduction in the level of day-to-day supervision of the governments, and we are not concerned with that. The cities would end up controlling a greater amount of their revenues and they're also controlling their expenditures. We do believe that they should have within their control as much of the revenue as possible so that their destiny is within their own discretion as much as possible.

There's a lot of concern being expressed about user fees, about privatizing, licence fees, poll taxes, income taxes and so forth. As we see it, this legislation is only enabling them to do that. Nowhere does it say that they must do it or will do it or anything. It's purely enabling. We don't see that as being a problem, to have that enabling legislation there for them to do that.

If municipalities abuse that right, as they could well do, they are obviously accountable every three years in the ballot box and they can be tossed out. Business assessment can leave the city, as has been happening within Metropolitan Toronto with its high tax base. Business has been moving out in droves for the last four or five years, and that loss of assessment is causing some huge problems. I just heard Kyle Rae refer to Big Brother, the minister, watching them, coming down on the municipalities. I think they should be far more concerned about their loss of assessment and what the voters might do to them if they were to abuse these provisions. So we don't see a big problem there.

We do feel that some of these reforms, though, in giving the minister authority, are very important to accomplishing the GTA reform, as I said before. Our recommendations on GTA reform, which have been well publicized in the media and distributed to the members of the committee, talk about eliminating the various regions, coming up with one region over the greater Toronto area; bringing emergency services to the new regional level; roads and parks going down to local levels; the elimination of school board trustees; the amalgamation of municipal hydros; and of course competition in the process, of opening the contracting of services to competition between the city departments and the private sector.

As we proceed in this reform, I think the only thing that is absolutely clear is that there are not 30 municipalities and mayors who are going to agree on the direction we're going in, and therein enters the minister. I think it's fairly sensible the way they're approaching it. You've got a two-stage process where the municipality or regions can work it out together and agree and proceed with a

reorganization or the minister can form a commission to do it for them and impose it. I think, in the GTA and other regions of the province, we clearly have too many municipalities, we have too much government and somehow we have to pull it together and reduce the numbers.

As I say, we do support user fees. We don't regard them as a substitute for tax. If you start imposing a lot of user fees for services that are presently provided in the tax base, I expect to see the taxes come down, so we don't see user fees as being an add-on to the tax. User fees are a choice. I don't regard them as a tax because you do have a choice in most of the services, whether you use them or not, except garbage and a few other things like that.

Market forces do apply on user fees. They can be too high. They can be the wrong user fees. We had a good example a number of years ago when Metropolitan Toronto hiked the tipping fees on garbage to—what was it?—$150 a tonne or something like that. That was so successful that all the garbage went to Ohio and they ended up depleting their whole fund of money, a $200-million fund they had built up supporting garbage, because they had raised the user fee beyond the market's willingness to pay. So I think there is market pressure on user fees and they can lose out.

There's a table in the back of the material that's been distributed to you, appendix 2. You'll see that some jurisdictions across Canada and in the United States have a much heavier reliance on user fees as a percentage of their municipal revenues. A lot of reasons come into it there. You'd have to really play around with some of the numbers to get a true comparison of the numbers, but I think if you just look at it on a conceptual basis, many jurisdictions get up to 60% and 70% of their revenues out of user fees, where in Ontario it's generally much lower, down around 30% or so of revenues.

We do not agree with some of the threats to charge user fees for non-anticipated emergencies and so forth. If your car breaks down in a municipality, we don't expect to have a tax to put the fire out or something like that. I think that would be very destructive and damaging.

Privatization, contract out: yes, definitely. The only way to reduce costs is to open the system up to competition between the municipal departments and the private sector. I think it protects both the municipal departments to be competitive, it drives them to be competitive, and it also gives the private sector an opportunity there.

Special-purpose bodies are a difficult thing for us. Essentially, we recognize the frustration, sometimes, with special-purpose bodies, but on the whole the board of trade position is to support special-purpose bodies: police and other organizations like that. We feel the political control should be primarily at the budgetary level. Some of the bodies, like transit and police and so forth, we feel are best run as special-purpose bodies, keeping them away from the day-to-day influence and interference of elected officials. I know there's a tendency to argue against them and to try to do away with them, but we're very cautious on that and generally would support their existence.

Direct taxes, yes. There's a reference to direct taxes, and that enables a lot of opportunities, anything from poll taxes to income taxes and sales taxes and so forth. While I doubt that any of the cities, certainly in the near term, would attempt anything like that, we would caution on that and take a serious look at that issue. Right now we have two levels of government, the federal and the provincial levels, that are sharing that tax base, and I'm not sure it's in the best interests to have a third level of government sharing that tax base. We have enough trouble bringing about disentanglement without adding people in to sharing common tax bases.

The last item I'll mention on the municipal side is variable mill rates. We have recommended that strongly within our presentations for reform of the tax system within the greater Toronto area. There's no reference to it in this bill. It may come in future bills, perhaps in an amendment to the Assessment Act. We feel that it's a very important method of allocating tax and to have an accountable and measurable way of allocating the municipal tax cost between the residential and the business sector. So we would hope that will be pursued at the appropriate time. We feel that a variable mill rate brings accountability and responsibility to local governments in their treatment of business and residential balance in the tax system.

I think they are the end of the remarks I'll make on the municipal sector. I'd like to pass it over to Ross, who will deal with the interest arbitration.

1110

Mr Ross Dunsmore: My remarks begin on page 6 of the submission that we've provided to you and I'd invite the members to turn to that page.

As an introduction, we commend the drafters for attempting, in the interest arbitration area, to control costs. If there's one thing that business these days wishes to do, it's to have as low a cost base as possible while it's attempting to be competitive within the province of Ontario, and this legislation will be of assistance. It will also be of assistance, in our view, to keeping businesses competitive in the province of Ontario, and by that I mean they may stay here more than they would go otherwise.

I have one summary point and seven specific points. The summary point is that, with respect, one must be as precise as possible in making instructions to interest arbitrators, because they have demonstrated over many years their valuing of their own independence and their unique capacity for determining their own approach to any legislation which is less than precise.

A good example of this that all of you will be somewhat familiar with is the fact that, notwithstanding the very imperative restrictions of the Social Contract Act, numerous arbitrators it found within their capacity the ability to award wage increases. You must be very precise if you intend to control costs, which we understand to be the import of these particular regulations.

The seven specific points:

With respect to ability to pay, the instruction presently in the regulation is that the arbitration board shall "con-

sider" the ability to pay. If you review any of the innumerable interest arbitration awards over the year, you will find many references to the fact that all the submissions of the parties have been considered. But consideration is not sufficient. You must require the interest arbitrators to not only consider the implications of what you are particularly interested in, but to apply it. It is the application that is necessary to ensuring that you achieve your end of controlling costs.

It is not underlined here, and I would ask you, because it is so emphatic in my submission, to underline in point one, in the first part of the language, "and apply" in the sentence which begins, "In making a decision or award, the board of arbitration shall consider and apply," because we have said we will underline our proposed amendments. That in itself would make a significant impact.

The second point with respect to the same area is that the cases over the years have made it very clear that for an interest arbitrator, ability to pay is equated to the ability to tax. It has always been the view of arbitrators in this field that as long as employers have the capacity to collect more money, then they are not inhibited in any way. The employer always will therefore have the ability to pay in any of the fields that we are talking about. That is why we propose that the considerations here to control costs should require the arbitrator to not only consider the ability to pay in light of the fiscal situation, but also in light of not any increase in taxes.

If there is to be a decision about an increase in taxes, that is a political decision, that is not an arbitral decision, and you should be precise in restricting arbitrators to making decisions related to wages and employment conditions, not political decisions.

My third point: With respect to the evidence that you have before interest arbitration boards, it is important that there not be interminable wranglings over financial information. I can assure you that we could spend many, many thousands of dollars at hearings fighting about whether the calculations were made appropriately or whether some other way ought to have been considered. It is much more appropriate to specify that the arbitrator should be required to make his or her decisions on the same information the politicians made their decisions on. In other words, whatever decision is relied upon by the municipality should also be sufficiently good for the arbitrator to rely on it.

On the third point on page 7, again with respect to precision, under ability to attract and retain qualified candidates, with respect, the arbitrator must be compelled to deal in more specific detail with the economic fact of qualified applicants. I can remember several cases where more than 2,000 persons would be applying for the position of probationary firefighter, evidence clearly of no need to increase the rate for a probationary firefighter in any way, and still the arbitrator increased it 5% or 6%. Whatever it was for other firefighters they also gave to the start rate, completely unjustified by the economic data related to those who were willing to take on the job at the present rate. That information would have been argued in front of the board and the board would have considered it, but not applied it and not placed any account upon the economic impact.

With respect to public and private sector comparisons, some have argued before you that the private sector should be included in the comparisons that would be appropriate for an arbitrator to consider. In our submission, and we've had some additional time to reflect on this, these criteria should not be utilized. They should be removed from considerations before arbitrators specifically. They do consider it in any event, but the instruction you have given has the possibility to increase substantially the costs of employers, and that is because over the years police and fire have always argued that they should be paid the same. Firefighters are usually arguing that they should be paid as much as police.

If this instruction is put into the arbitration process, arbitrators will be facilitated in concluding that fire should indeed be paid as much as police officers, and many municipalities would not agree with that proposition. So the instruction should not be there.

Similarly, and perhaps at a much higher cost, nurses in nursing homes and homes for the aged have for years sought to be paid at the same level as nurses who work in hospitals, notwithstanding that there are substantially different responsibilities and duties carried out by the hospital nurses. That battle has been arbitrated on many occasions and the nurses have not been successful in increasing their rates to those of hospital nurses. The arbitrators would be facilitated in solving that problem at great expense to employers in this particular environment if you require arbitrators to consider comparable positions across the broader public sector.

Therefore, it's our recommendation, since the purpose of these regulations is to control cost, that you not mandate comparability. It is inappropriate. What instead you should be looking at is the ability to pay in the fiscal circumstances without tax increase in local situations.

The fifth point, the ceiling on wage awards at the bottom of page 7: The problem with police and fire comparisons is that police are not employed by the same person who employs firefighters. If the police and fire comparison exists, then the firefighters are not paid in a manner that is similar to the way in which all other municipal employees are paid. The result, through arbitration over 10 or 15 years, has been that firefighters will have wages 5% to 10% higher in aggregate than those of other municipal employees, notwithstanding that they all work for the same municipality. That should not be allowed to continue. Firefighters should be assessed and considered in their payment in the context of the same circumstances as other municipal employees.

1120

Local factors: This, in my view, is an important matter for you all to consider. In only the instructions with respect to the Police Services Act have there been added two additional criteria for the arbitrators to consider, and the one that I wish to focus on most specifically is number 7, which says that any other local factors shall be considered.

In my submission, if you leave the regulation the way it is, then what will arise is a circumstance where it can be forcefully argued that local matters cannot be considered by any arbitrator in any other sector than the police sector, because the first five criteria are the same across all the pieces of legislation that you're seeking to amend. If you've intentionally kept them the same but added two only for police, then it can be forcefully argued that in the municipal sector you cannot consider local matters because the Legislature intentionally left it out of the Fire Departments Act and intentionally put it in the Police Services Act.

Therefore, since local problems are the essence of every municipal argument, it is important, if we're attempting to (1) be fair and (2) control costs, that you eliminate local factors from police services or you add it at least to fire.

The Chair: We have two minutes for each party, beginning with the third party.

Mr Silipo: I wish we had more than two minutes because there's a lot in this brief that I'd like to pursue, but let me just focus in on one area which seems to me to be a bit of a contradiction and perhaps you could explain a little bit further. You seem to be saying, on the one hand, that you like what you see here as being more powers to the municipalities, but at the same time you have serious reservations about schedule M's provision which allows municipalities to impose more direct taxes. I'd like you to talk a little bit more about that.

Because I don't think I'm going to get a chance to ask you another question, perhaps I can also ask you to comment on this one point in particular that I take great issue with you on, where you say that "a nominal charge of $1 to enter a skating rink or swimming pool is hardly punitive." I'd say to you that's probably true if you're talking about a situation in which there's a family income of $30,000, $40,000, $50,000 or more. I suggest to you that there are many families in Metropolitan Toronto which, even working at minimum wage, would find that in fact a very punitive thing to do and couldn't afford that.

I just have a problem with your approach that says that user fees are okay because they're not going to be a burden, and don't you see that they really are another form of taxation, but it was essentially more around the point of the contradiction that I saw in what you were suggesting earlier that I wanted you to comment.

Mr Lauber: In the area of the direct taxes, I don't think the municipalities will get into direct taxes. Quite frankly, we don't know—

Mr Cooke: Won't ever?

Mr Lauber: I don't think ever.

Mr Cooke: We hope.

Mr Lauber: I'm not sure why we're worrying about putting them in the bill at this time. If they came out of the bill, that would be fine with us, the ability to levy direct taxes, on that issue, because if we're looking at disentanglement and expenditures, then I think we should retain some separation on the revenue side of things as well, and the municipalities, to get into it, will end up building a bureaucracy to collect and manage these taxes, I'm sure. We don't like that side of it.

As far as the $1 is concerned, I know that's an emotional issue and I'm sure there are other ways of dealing with the people who can't afford the $1 to take the family to the skating rink and so forth. But the vast majority of the citizens of the greater Toronto area or of the province and so forth can afford that. Don't forget the flip side of this: If we run things properly, they're going to have more money in their pockets because their taxes are going to go down.

Mr Sampson: Thank you very much for your presentation. I'm intrigued by a number of aspects, including your discussion on the employee benefit plans introduced by the former government in its budget without details or consultation. I guess that must have slipped by the champions of public consultation over there. I noticed the general theme of your—

Interjection: You're getting tough on day two.

Mr Sampson: The general theme of your discussion, and I think you actually said it, absolute necessity to restructure: Why, in your view, is it absolutely necessary that this government restructure?

Mr Lauber: To restructure what?

Mr Sampson: I think you were talking about restructuring with respect to the way we deal with municipalities, interest arbitration. You started off your comment that it was absolutely necessary and you agree with restructuring.

Mr Dunsmore: With respect to the interest arbitration process, the restructuring is necessary because if we are going to control costs, there's a fundamental requirement that you regulate the interest arbitration process more precisely, because it is completely uncontrolled at the moment.

Mr Sampson: So somehow that is connected to the municipal components of our act, to say that we're going to pass more responsibilities to the municipalities?

Mr Dunsmore: Yes.

The Chair: I'm sorry, there's not enough time left to allow a response to that. We quickly have to go to the members of the opposition.

Mr Phillips: The brief from the board is perhaps the strongest brief supporting, in my opinion, delaying passing this bill until we have a chance to understand its implications more. I just flipped through a bunch of pages here. You say, "We know the bill may give rise to many unforeseen circumstances." You say, "The board disagrees with the direction of the proposed legislation," in one part. "The board has reservations." You disagree with the lack of the mill rate. You say back later that certain sections should be deleted, must be deleted, that another section is unfair, that in view of the time frame, the board requests that a certain part of the act be withdrawn; this is on the taxes.

Your brief is filled with, I think, warnings to us about concerns of the board. The one thing you think really is strongly in need of support by the board is this restructuring recommendation for the GTA.

We were told yesterday by the minister that the GTA is excluded from those provisions specifically, and therefore on the major part of the bill that you support strongly, we're told Metro is excluded from that part.

My question to the board is, am I characterizing this properly from the board's perspective, that the bill is filled with things that you are concerned about, and has the board been told that Metro Toronto is included in those restructuring provisions, where East York can be taken over by the city of Toronto without East York ever agreeing to it? Have you been told this is part of the bill?

Mr Lauber: I don't think we've been told that's part of the bill, and I wasn't aware of the comments made yesterday. Essentially, though, on the bigger picture of the bill, there are some cautions in here and I think there are some cautions in any piece of legislation. We're not saying this bill shouldn't go ahead, more or less as it is, or as it is. I think some of the cautions we have, such as the taxes—

Mr Phillips: But if it didn't include Metro in its restructuring, would that perhaps have a different view from the board?

Mr Lauber: If it were excluded from the restructuring? We'd just have to get the authority some other way.

The Chair: Thank you, gentleman. You've exhausted your time for presentation. I appreciate your taking the time to appear before the committee today.

Mr Phillips: Could we get someone from the government to clarify that for us, because yesterday the minister indicated that Metro was excluded from these restructuring provisions.

The Chair: I'll see if we can get a written response from the minister's office for clarification.

Mr Phillips: Thank you very much.

Mr Gerretsen: Somebody presumably is in charge of carrying this bill through the committee.

Mr Phillips: They're watching on TV.

Mr Gerretsen: Oh, I see.

Interjections.

The Chair: We'll get some kind of clarification.

1130

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION

The Chair: The gentlemen from the Ontario Secondary School Teachers' Federation, welcome to the standing committee on general government. Today you'll have 30 minutes for your presentation; you may want to leave 10 or 15 minutes at the end for questions. I'd appreciate it if you would start by introducing yourselves and your organization. Thank you and welcome.

Mr Earl Manners: Thank you. Well, I don't know who to thank for the opportunity to be here. My name is Earl Manners, president of OSSTF. With me are Malcolm Buchanan, general secretary, and Larry French, our director of external policy.

The executive summary to our report opens with the line, "Bill 26 moves Ontario toward government by fiat." Others have used the word "dictatorship." I know some in this room may wonder whether that's just a rhetorical statement, but I had an opportunity last night to review some of my exams that I used to use as a Canadian studies teacher. In the civics section I had questions asking my students to make a distinction between democracy—"What are the defining characteristics?"—and a dictatorship. Of course I would give marks if they wrote down, "Government for the people, by the people," as the definition of democracy, that it contains a series of checks and balances, that there is a legislative function or a legislative power to make the laws, executive power in the cabinet and the ministers to propose laws, and that there was a judicial function or power to uphold the laws; that these were all separate and there were checks and balances built in. I would also give marks for a student who said that when all these three powers are combined into one, you have a dictatorship.

When I took a look at the omnibus bill—and just for my edification I read through parts of it last night. In schedule L on the Pension Benefits Act; schedule K, freedom of information; schedule M, the Municipal Act; schedule F, hospitals, just to start, I found 20 different examples, without even trying, where the minister or the cabinet was given not only the power to propose the law but the power to change the law by regulation, by administrative order or by just administrative direction, and also references that they would not be subject to the law if they acted in an illegal manner—and none of this would happen with parliamentary debate. If my students said that was an example of a dictatorship, I think I would have to give them full marks. So it is not just rhetoric.

There are other concepts that I used to teach about too, and that was the Big Lie and scapegoating, and I tended to use examples from our history of the 1930s in other countries in Europe. We have certain examples of that in the omnibus bill.

The minister said, for example, when he was talking in his economic statement about education finance, that the Ontario average expenditure on education was 10% higher than that of other provinces, creating, I think just by coincidence, a $1.3-billion overexpenditure, in his mind, which is exactly the target in the Common Sense Revolution in the secondary school reform.

The reality, unfortunately, is quite different. For some reason, the Minister of Finance used 1994 data rather than 1995. The data he used excluded kindergarten enrolment, although the funding for kindergarten was included. As a result, 100,000 pupils were not counted in the calculations of per-pupil expenditure. You know what effect that has, then, on the statistics about costs. It would make Ontario look higher than it actually is. The data the minister used included private schools, and he also excluded Ontario from the calculation of the average.

That, I think, is a misrepresentation of facts. It certainly would exaggerate the Ontario average expenditure on education as compared to other provinces. It's certainly not 10% above the average. If you use 1995 data and exclude Ontario it's only 4% above the average, but if you include Ontario in that calculation, our expenditures are only 2% above the average. Yet Ontario also has the

highest per capita income, and we also deal with the most number of immigrants to this country and therefore have additional expenditures for ESL. It doesn't take into consideration all of that.

So I don't think our figures are out of proportion at all. In fact, if you look in the appendices of our report, you will find that Ontario ranks 29th when you look at Ontario's expenditure compared to the United States and Canada—29th—yet supposedly we're uncompetitive.

All these data were provided by the minister in his financial statement to justify schedule Q and changes to the arbitration procedure. Not only do we believe that the school boards should be excluded from schedule Q, we believe schedule Q should be dropped in its entirety.

In criminal law, political interference is inexcusable. What schedule Q does for contract law is that it legislates political interference. It puts the Common Sense Revolution above questions of fairness, justice and equity.

Arbitrators who are supposed to be, by definition, neutral, become agents of the government. But more than that, schedule Q also gives arbitrators the power to cut programs and to determine the qualifications required to deliver those programs. As a result, they not only become agents of the government, they also become the politicians. Why trustees would not then just want to go to arbitration, to have an arbitrator make the decision for them, so they would then be able to say, "It wasn't me who made the decision, it was that arbitrator" is beyond me.

The effect of schedule Q in the school board sector is to really undermine the collective bargaining process and probably lead to greater conflict in employer-employee relations.

What it would allow an arbitrator to do, for example, is to say that you no longer need teacher-librarians, you no longer need teacher-guidance counsellors, you no longer need computer studies teachers, you no longer need music teachers, you no longer need physical education teachers, and the list goes on. These are not just references pulled out of the hat. These are musings that have been included in both the former Tory blue book on education by the Minister of Education and by some of our trustee organizations.

The second area I would like to look at is pay equity. I have to say at the beginning that I do not know why the government would repeal proxy value calculations for pay equity. The Premier said during the election campaign that he was opposed to so-called quota laws. I do not accept his definition of a quota, but this situation has nothing to do with a quota. It has to do with ensuring that traditional female job classes do not remain job ghettoes in terms of pay, and that when they do not have a male job comparator they're allowed to go look outside the establishment for a comparison so their value is recognized.

Some of our lowest-paid workers for children—day care workers, home care, children's aid society workers—are all going to be negatively affected by this. I suggest to you that that is a very telling indication of the value this government puts on children. This is not a quota, this is discrimination, and it's blatant discrimination on the part of this government.

Under the Pension Benefits Act, schedule L, you are well aware that the teachers have a partnership with the government in the teachers' pension plan. We are subject to the provisions of the Pension Benefits Act in case of windup, so you can well imagine that we are concerned that the suggestions you have for the OPSEU and public service pension plans will very shortly appear on the table in negotiations with the government regarding the teachers' pension plan as well.

1140

It's inexcusable that the government would exempt itself from an act that it supported in 1987 when it was passed. It's inexcusable that a government feels it can put itself above the law when even private sector pensions are not above this law. This law was put in place because of the Conrad Black-Dominion Stores pension fund fiasco, and what I believe the exemption would do is create such a fiasco now in the public sector.

Not only would it save the employer $225 million if they downsize by 10,000, or $400 million if they downsize by 20,000, but it would allow the employer to receive reimbursement for payments back to 1993. You want to have your cake and eat it too.

Being exempted from liability and fiduciary responsibility is another example of the unfettered powers of cabinet. There is a superintendent of pensions. That is the responsibility of the superintendent of pensions, and the power of that superintendent should not be usurped.

Under schedule K, freedom of information, you can understand that information is the stuff of education. Intellectual freedom is the hallmark of a public education system. When you curtail access to information, you're curtailing access to critical thinking and the ability of our students and teachers to have access to information they can use in the classroom.

We find the reference to the ability to expand powers to refuse access to records by heads of institutions to be unacceptable. We find the imposition of user fees for obtaining access to this information—all that does is ensure that it's freedom for those who can afford and no freedom for those who can't afford to pay. We indicated that the compendium to go along with Bill 26 would have cost us over $700 to obtain, just to be able to analyse this piece of legislation that's before the committee today.

But I want to emphasize something else. It's not just this bill that tampers with freedom of information. Bill 7 and Bill 8, which have already been passed by the government, also tamper with freedom of information. Bill 7 limited the right of employees and unions to information they may need in an collective bargaining situation, and Bill 8 destroyed or ensured that all information related to employment equity was destroyed.

If an employee now, who must go before the Human Rights Commission, feels they have been discriminated against, there is absolutely no information available for them to use. It has either been destroyed or their right of access to that information has been limited.

Our legal firm says that unions and employers are thus forbidden to access and use information that was legally obtained to carry out a duty under the Charter of Rights and Freedoms. This is contrary to the charter, and those pieces of legislation should be amended to conform to the charter by facilitating access to employment equity data.

We will be looking at a charter case in this area of freedom of information and as it relates to employment equity.

Finally, under the Municipal Act, schedule M gives the minister or a commission the power to restructure municipalities. That includes the right of municipalities to restructure local boards, which includes school boards.

Any order of the minister or the restructuring commission implementing a proposal overrides any other legislation. I assume that is also how you intend to get around successor rights legislation in the labour act.

I don't need to discuss the new taxation powers and user fees. Others have done that rather well.

But this is not about dealing with the debt and the financial statement, it's about privatization. It's about privatization of municipal services, but since school boards are also included as referenced under this act, it's about privatization of school board services. Now, some may say that's just custodial and maintenance services, or some may say that's just office and clerical services and that doesn't relate to the classroom. Well, it does. It does affect the teaching-learning environment very directly. Once you privatize those services, what's next? Music? Physical education? Libraries? Management of the schools? Maybe we want to move to charter schools. I suspect that's the true intent of this government, is the privatization of our education system as well as our health care system as well as much of our municipal services.

This bill is all too encompassing. It needs much more time for debate by the citizens of this province. It should be split up into a number of sections related to health, municipalities, the civil service, pensions and other matters. It certainly will have a profound effect on our education system, and I can't find one example in it that would make our education system better. Thank you.

The Chair: Thank you. We have a little less than four minutes per caucus for questions. We'll start with the government caucus.

Mr Terence H. Young (Halton Centre): I'm very concerned with your definition of a dictatorship—

Mr Cooke: I'm sure you are.

Mr Young: I have a different one that I've taught my children. A dictatorship is where they take people away in the middle of the night for opposing the government, and they often never return. There are many countries in the world that people have to put up with that, and thank God Ontario is not one of those places. For you to compare Ontario to that is irresponsible, totally irresponsible.

I want to ask you what your collective membership—what cost-savings initiatives you are putting forward to help us address the financial state of the province and what responsibilities your members have to address costs, because your members' salaries are 75% of the cost of education.

Mr Manners: It's a rather controversial suggestion, and your minister has already rejected it, but confederated school boards seems to be one of the obvious things that we've been proposing for a number of years. We even did some polling and found out that 71% of the population supports confederated school boards and that in fact the largest number of supporters identify themselves as Conservatives. So we've put forward what we think are responsible measures that are supported by people who support this government, and yet they've been entirely rejected by the Minister of Education and the Premier, in spite of the fact that during the election the Premier stood in front of the Peel public board and Peel separate board and said, "We've got to do away with this kind of duplication."

Mr Young: May I ask you what they are? What are those measures?

Mr Manners: The confederated school board model is a prime example.

Mr Young: So you support that concept?

Mr Manners: Yes.

Mr Young: Any others?

Mr Manners: I'm not going to get here into a discussion of what are local collective bargaining issues. In the education sector there's a long history of local collective bargaining and it will be issues related to the financing of education or cutbacks that will be dealt with there.

Mr Young: Okay. Do you want to go ahead? Do you want to ask a question?

Mr Tascona: Yes. With respect to the interest arbitration, I'm curious why you would be opposing this when the purpose, as you know, is to control costs, and we are in a financial situation that is difficult. By opposing the mandatory criteria for interest arbitration, are you saying that arbitrators should not be accountable to the public interests of the government's ability to pay for a wage settlement?

Mr Manners: They are neutral arbitrators and they're to evaluate all information that is placed before them, including the financial records of boards of education, if they so wish. What schedule Q does is make them agents of the government, not neutral arbiters. It tells them to put the Common Sense Revolution first, before other information that may be before them. When this was attempted in 1982 or 1983 under wage and price controls, the arbitrators of the day rebelled and said no. I suspect that many arbitrators here too, in 1995, will say that this is a curtailment of their professional responsibilities.

The Chair: We must turn now to the opposition side.

Mr Alvin Curling (Scarborough North): Thank you very much, and I must commend you for this presentation. It is forthright, direct, and I think you characterize the government situation very accurately about a dictatorship in itself. As a matter of fact, do you know that this would have been law by now, this Bill 26, without any input anyhow?

1150

There's so much you had in here, but let me just focus on one aspect of it. I think it was section 8 that you had spoken about, that the board can be dissolved by the minister. You mentioned that in your third paragraph, where local boards are being dissolved. You read, "It follows that, depending on the nature of the regulation that is created by the minister, municipal councils could do away with boards of education. If the board of education is attached to two or more municipalities..."

It's my understanding that as long as it's associated to two municipalities, they could dissolve the board just like that. Is that the understanding?

Mr Manners: That's our understanding of schedule M; that it would allow a municipal government to make a proposal to the minister to dissolve a board of education, to make it subject to that municipal council, and that they could go forward with that just by ministerial decree.

The other thing that it does is it would allow a regional government—Hamilton-Wentworth comes to mind—to try to, again, do away with school boards. One part of that region may initiate the activity, and it could apply to more than one board of education. So the Hamilton municipality may initiate this, but it could apply to Wentworth as well.

Mr Phillips: Your recommendation on that, I gather, is to simply remove that section. I think we understand that and appreciate it.

Just to follow up on a comment one of the government members made that this bill is all about reducing the deficit, I'd like your comments from your members' point of view; this bill is all about finding $5 billion for a tax cut. This isn't me talking. I always carry this around, this is the direct fiscal impact of the Common Sense Revolution. What it shows is—you can look across the top; this is the revenue. That number there is $5 billion. That's the tax cut cost. That's how much money the government has to find for the tax cut. I use their numbers because it avoids getting into an argument about what the real numbers are. But their numbers are $5 billion. The way they have to find that $5 billion is originally they said they'd have to cut $6 billion. They now say they'll have to cut $8 billion.

I guess my question to the membership of OSSTF is, is the membership supportive of a program that purports to tackle the deficit, but really the majority—when I say the "majority," more than half—of the money that's cut is then paid out in the form of a tax cut. Does your membership have a view on whether that's the right way to go or not?

Mr Manners: They do have a view on this. Even though our members, given some of their salaries, may benefit from the tax cut, they have indicated quite strongly and by resolution at our provincial council that if a tax cut is to be implemented on the backs of the most vulnerable in society and through all these cuts to social programs, we don't want it, because—

The Chair: We must move to the third party.

Mr Cooke: Just a couple of quick questions, and then I want to talk a little bit about what impact this might have on labour relations in the province. Just a quick question: Were you consulted at all about any of the changes that came in this that affected your members?

Mr Manners: None.

Mr Cooke: I want to go back to the part of this act that talks about elimination of school boards, which you know I had a view on: fewer of them, but not being taken over by Mayor McCallion.

Mr Manners: I'm aware of your view.

Mr Cooke: The minister has said that school boards will be protected by regulation, because it's not one of the local boards that they envision giving the power to the municipalities to eliminate. I guess I'm wondering what your views are in that the school boards at that point would then be able to be eliminated simply by the change of a regulation, that there would no longer be any legal protection. This is one area where I assume the Catholic system and the public system come completely together when it comes to governments.

Mr Manners: Well, I think both the Catholic and the public systems believe in local school board governance, because it's closest to the people. School boards have had a long history in this province, because it is felt that at the local level they needed an independent governing body to deal with all of the issues around education, that it can't be dealt with just in a subcommittee report that would come right after whether a road needs to be repaved or not.

We support local school board governance. We do not believe that any Minister of Education should be able to amalgamate or annul, or whatever the proper words are, a school board just by regulation, that if this minister and this government believe that school boards are not to be included in these powers they should have never been included in the first place, and rather than wait for regulations it should be announced right now and changed and removed from the bill.

Mr Cooke: I think it's going to be important when we deal with clause-by-clause of this bill. We won't see the regulations; the regulations won't be tabled here. But I don't think it would be good public policy to say you're protected and it's going to be done by regulation for school boards only.

A final point, because I only have about 30 seconds, probably: Can you give us your view on the changes that are in here on Bill 100, what your guesstimate will be of the impact on labour relations in the education field?

Mr Manners: It's hard to guess. I mean, the cuts are going to have a profound effect on the ability of local school boards to continue to deliver the kinds of programs that they have in the past. They will affect the classroom in spite of the promises of this government. What it will mean: If school boards know that arbitrators have these fettered responsibilities now, I suspect school boards will just drag their feet; they won't negotiate in good faith, and they'll just try and encourage employee groups to go to strike or push them towards arbitration so they can just wash their hands of the decision, because it's going to be made for them.

Mr Cooke: Well, I think that's—

The Chair: Mr Cooke, you're accurate on your 30 seconds. Very good timing. That's the end of the half-hour. I want to thank the OSSTF for appearing today.

Before we recess for the lunch break, a quick housekeeping note from Mr Phillips that the subcommittee of the full committee will have a meeting at 12:40 in committee room 2 today. We will recess until 1 pm.

The subcommittee recessed from 1158 to 1303.

FEDERATION OF WOMEN TEACHERS' ASSOCIATIONS OF ONTARIO

The Chair: Good afternoon, everyone. Seeing representatives here from each caucus, and since it's five minutes past the hour and I hate to be late, I will call the afternoon session to order.

I'd like to call on representatives from the Federation of Women Teachers' Associations of Ontario to come forward, please. Welcome back to the standing committee on general government. You'll receive half an hour of time today to do your presentation and you will probably want to leave a few minutes at the end of your presentation for some questions and response from the three parties. I'd appreciate it if, for the sake of the members of the committee and for Hansard, you'd read your names and organization into the record.

Ms Sheryl Hoshizaki: My name is Sheryl Hoshizaki and I'm the president of the Federation of Women Teachers' Associations of Ontario. With me I have Joan Westcott, the executive director of our organization, and Pat McAdie, our researcher. Today we are very pleased to be able to present to you because we have some very serious concerns about the omnibus bill.

As I said, we are an organization of women elementary teachers. There are 41,000 women teaching in the elementary public system in Ontario and I think it's very clear that our members would receive at first hand the impact of any legislation such as this, on how it would affect children and families living in communities. For that reason, we feel that we have not only a need but a responsibility to be here today.

We have grave concerns about the bill and I'd like to go through them. Before you you have a presentation of our brief. I will not read the brief to you, but I would like to highlight some issues within the brief and I also would like to make comments as to why we take such serious issue with these changes.

First of all, the volume of the document: As I stated earlier, there is immense legislative change. The question we have is, why is it being contained in one bill? I'm sure we can speculate why that is in fact happening, but we would like to give you the benefit of the doubt. We believe that the changes are major. For that reason, we know that the changes will redefine our communities as we know them. For that reason, we also believe that some of the changes are unknown. Even ministers who are in charge of their own portfolios admit to not knowing the total impact. I think that's a serious issue. For these reasons, we at FWTAO expect, at the very least, a full and open debate on the omnibus bill.

We believe you should listen to the people who are part of the programs and services that make up the communities. We as teachers know it is the constants in children's lives that make sense to them. We cannot teach them about free and open debate, about democracy, about a commitment to equality as a belief which is basic to a whole society, if we do not even model this in our own governments.

I'd like to move into the area of pay equity. Schedule J of Bill 26 removes the proxy method of comparison from the Pay Equity Act. FWTAO believes that this is a direct action against women and thus children. Without a comparison group outside their place of employment, some women will be destined to live forever at a certain economic level. That is not only unfair but morally unjustified. There's no economic merit to the concept, since these are wages that are not spent in communities. We believe that those changes should be made.

Under user fees, FWTAO believes that user fees are quite simply taxation. In fact, they're unfair taxation. The people who can least afford it will have to pay for basic services and basic advantages for children.

A government that ran on a Common Sense Revolution mandate that promises a future cannot really believe there is common sense that takes more from the people who can least afford it.

In fact, because of user fees, public libraries, which were once described as a poor person's university, will no longer be available to young children and families who need them most.

User fees to public parks makes no sense. Where will the children play. More importantly, where will they learn about the natural world so that they will have respect for it for their future?

User fees for recreation? Where will children learn about wellness? And all communities will tell you that children and youths need things to do.

User fees for public services and firefighting services? In our schools today we have programs called VIP programs, the relationships and partnerships that we have established with the government in Ontario and certainly with police within communities. Our children have learned to respect and understand what peer pressure and the importance of their own self-esteem mean through these programs. The cancellation of these kinds of programs will put a new face on the relationship that young children have with police and protective services.

Quite simply, this government has promised a tax credit for those who can afford it and a tax for those who can least afford it.

In the area of the environment, this government is proposing changes in Bill 26 that will have detrimental effects on the environment. Companies will not have to adhere to the environmental standards needed to ensure a sustainable natural world. This simply does not make good economic sense.

I'm from Dryden. I've lived through the polluting of two of the largest river systems in northern Ontario. The systems have taken 30 years to even begin to clean them up, but the communities affected will never know their original lives. We have lessons to learn from that, and to take a step backwards in the area of not establishing standards for companies is irresponsible.

The area of municipal boundaries: The section of schedule M that refers to municipal redesign is a unilateral move to create larger systems with less services. It is disturbing that school board amalgamation is not excluded from the list of boards that can be dissolved. It makes only good sense to support those communities that seek to amalgamate after careful and serious consultation with all those who are affected by the move.

The idea that school boards can be exempt from this section through regulation is just not strong enough. If the government didn't mean to include school boards, then it should have been stated in the legislation. Maybe the real answer is found in the fact that the government doesn't know what is or isn't exempt from the legislation and that all kinds of regulations will be formed as Band-Aids to salvage very basic services in Ontario. This is no way to govern.

1310

The area of interest arbitration: The changes identified in schedule Q of Bill 26 amend the provisions in five acts, and on page 9 they're outlined for you: (1) the employer's ability to pay in light of its fiscal situation; (2) the extent to which services may have to be reduced if the current funding levels are not increased; (3) the economic situation in Ontario and in the municipality or municipalities served by the board; (4) a comparison, as between the employees and other comparable employees in the broader public sector, of the terms and conditions of employment and the nature of the work performed; and (5) the employer's need for qualified employees.

These impose serious limitations on the independence of arbitrators. In fact, arbitrators themselves reject the ability to pay as a legitimate criterion for public sector compensation. Most often, it is willingness to pay that has resulted in an arbitration decision. Since ability to pay is completely within the government's control, this unfairly limits the scope of bargaining.

The area of health: FWTAO is gravely concerned about the changes that will impact on the health of citizens in Ontario, particularly young children and poor families.

The power given to the Minister of Health to use and disclose personal, confidential information is unacceptable. It is somewhat ironic that this government, which literally ran on a "less government" mandate, is suggesting that now government can invade Ontario citizens' privacy.

Shopping around for drugs makes no sense. Many communities have one or two drugstores. Imagine shopping around for the best deal while you are sick.

Copayments are the breaking of a promise to citizens in Ontario that all citizens will have access to quality health care.

Hospital closings, profitable health care systems and user fees in hospitals are the dismantling of a health care system that we in Ontario have taken pride in.

In summary, the omnibus bill is really about democracy. It's a transfer of power that this government has made from the Legislature to the cabinet, from open debate to closed debate. All members in government are duly elected from across the province—from towns, from cities, from rural communities. They represent the people of Ontario and should in fact—and must—have a voice on these very serious issues that will impact on the constituents as well as the communities.

I'd like you to bring attention to our recommendations on the last page. They're very specific:

(1) That schedule J be removed from Bill 26.

(2) That the government refrain from cuts which would lead to user fees for vital services.

(3) That the government respect the need to maintain an environment which is a healthy place to live and work and raise our children.

(4) That school boards be excluded from the provision of section 8 of schedule M of Bill 26.

(5) That schedule Q be deleted from Bill 26.

(6) That the access provided to the Minister of Health to personal and confidential information from health files not be expanded.

(7) That cuts to health care funding not be imposed in such a way that they create a two-tiered health system.

(8) That schedule K be removed from Bill 26.

(9) That Bill 26 be rewritten as separate bills to allow for full public debate and consultations.

That is our presentation.

The Chair: Thank you very much. We'll have about five minutes per caucus for questions. We start this afternoon with the opposition caucus.

Mr Phillips: On recommendation 9, that Bill 26 be rewritten as separate bills, from our look at Bill 26 I think it's fair to say that we've never seen a bill with as many sweeping provisions as Bill 26 has. I was looking today at the ad we're going to be placing in other cities. I think there are 15 ministries that are affected in major ways as a result of the bill. You've indicated in your brief here that you've only just begun to get into the bill.

Our problem is this: We've done everything we can do as an opposition to get the bill divided, which we agree with you on very much, to get additional hearings, which we agree very much on, and to allow a more reasoned debate on the bill, which we very much agree on. As a matter of fact, the board of trade from Toronto was in this morning, theoretically supporting the bill, but pointing out that they had, by my count, eight or nine major concerns about the bill.

Have you any advice for us in opposition on how we might accomplish your objective of number 9, of getting this into a more manageable size?

Ms Hoshizaki: If I were qualified to give you advice in opposition maybe I'd be sitting there, but what I guess we would like to say is that we're a Federation of Women Teachers' Associations and we represent approximately 80 associations across the province. We've talked a lot about the omnibus bill in a very short period of time, and that's our issue here, that it's a very short consultation period which doesn't give any opportunity for even the expert to have an extensive investigation as to the impact. We won't know the impacts until they're actually established.

However, the constant here has been that even people who support this government's move to deal with the deficit do not support this process. This process that actually inhibits the democratic right to have input certainly, in our organization, has been received as being detrimental to Ontarians. If it's advice, I guess the advice is that there needs to be more time to really dismantle what this bill means to communities, because if there isn't more time given, then the communities are not going to sit by and watch this happen.

There's a pattern emerging here in Ontario and the pattern that is emerging is that people are now beginning to speak out on process. They elected a government maybe to deal with the deficit, but they didn't give the government the mandate to close down democracy on things that were going to happen.

Mr Silipo: I want to follow up on that same point as well, because it's certainly been an issue that, as you know, those of us in the opposition, the NDP and the Liberals, have been both equally concerned with.

I want to focus in on some of the comment that you made in your last answer, which is that the government seems to believe that because they have a majority, what they won on June 8 was also the right to basically push through this kind of legislation in the hasty way they wanted to. I would just remind you, as I'm sure you know, that the intention of the government was to pass this legislation by last week.

One of the things we are very much troubled with is, in effect, this assumption by the government that the majority that they have in the Parliament allows them to do whatever they wish and that it doesn't really matter what we in the opposition say or indeed what you or others might say, because, for us, as far as we're concerned, we're just the opposition and you're just another interest group. We've heard that constantly in these hearings, although it's only been a day and a half, and we've got many days to go. I'm sure that will continue to be the tune. What's your reaction to that?

Ms Hoshizaki: I always have a reaction when people are referred to as interest groups because I have no embarrassment in being referred to as an interest group. If my interest has to do with young children in Ontario, then go ahead, label me an interest group.

I agree. I don't think a majority will translate to the support of all the citizens in Ontario. I think that anybody, myself included, who is an elected politician must recognize that your responsibility goes past the election date and the responsibility that all politicians have is to govern fairly. I think governing fairly has to do with the democracy of a bill such as this. We're not asking a lot. We're asking for time to take a look at the impact that this bill and all the containments to the changes in the acts are going to have, and that's really what we're here to say.

You may have all your struggles and feuds within the Legislature, but what we're saying is that the citizens, particularly the families, the poorer families and the young children who come to our schools, need to have the opportunity to have voices from organizations such as ours, regardless of whether they're labelled self-interest groups or special interest groups. That's not enough to stop us, and we'll continue to do so.

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Mr Young: I was very glad to hear you say that your mission is to represent young children, and I see that as our mission also. You know that we're spending almost $9 billion a year more than we're taking in in the province of Ontario and you know that every group we speak to, every group that comes to speak to us, says, "Don't cut me." So what we're trying to do is spread the pain. I wanted to ask you what initiatives you would recommend for us to save money in education.

Ms Hoshizaki: I'm not sure of the connection, actually, to the presentation on the omnibus bill, but because we represent the education community, I'll respond. I think it's unfortunate that you didn't use the campaign slogan "Spread the Pain" because I think we would have had a different result in the election. However, at the same time, if we're talking about cuts in education, then there has to be an open and full consultation process on where that happens.

We're not here saying, "Don't cut us." We haven't said that in any of the briefs we've presented as an organization. We have said that certain cuts into publicly funded education will devastate the system and will decrease the opportunities for young children, in particular vulnerable children, children who come from families that are poor, to put it quite simply.

However, at the same time, the cuts—we'll say to you today as we've said before—are too deep and too fast. There needs to be some time. I was a principal in a school and for several years I worked within an operating budget that was cut back year by year by year, but at least it was a graduated process. There were opportunities to restructure within it. It didn't mean that the quality of education that could be provided in that school was any better five years down the line than it was at the beginning. However, at the same time, what we're asking for here today is process, not the fact that we agree to or don't agree to.

Publicly funded education, to put it quite simply, if you want an answer, cannot afford more extraction out of it financially, period, or you're going to have a different system.

Mr Sampson: Did you, in the previous government, make any representations or deputations with respect to what was then called Bill 175?

Ms Hoshizaki: I'm not sure.

Mr Sampson: It's a piece of legislation that's not too dissimilar with this. In fact, it has, let me see, 15 various sections to it dealing with 15 different ministries, one of which was education. In fact, it affected the pensions of the people within your group. Did you make deputations to them with regard to the effect of that and other aspects of the legislation?

Ms Hoshizaki: You will have to give me the name, I'm sorry, of the legislation.

Mr Sampson: It's called An Act to amend the Statutes of Ontario with respect to the provision of services to the public, administration of government

programs and the management of government resources. Did you make a deputation to that committee?

Ms Hoshizaki: I wouldn't have personally. I was not present at the time.

Mr Sampson: Did your group?

Ms Hoshizaki: We don't think so.

Mr Sampson: It dealt with the pensions of your group. In fact, it dealt with 18 separate ministries. I'm not surprised to hear you didn't make a deputation because there was no committee time allowed to that particular legislation. Did you know that?

Ms Hoshizaki: That was my next question, as to your point.

Mr Sampson: Would you be surprised about that?

Ms Hoshizaki: Would I be surprised about it?

Mr Sampson: Yes.

Ms Hoshizaki: Not necessarily so.

Mr Sampson: Is that an affront to democracy, as you put it?

Ms Hoshizaki: We're not here in support of a political party or opposition. The legislation is not within our mandate. What we're saying to you today is the omnibus bill that was tabled is going to have a great impact on communities, and quite frankly we're not going to tolerate it because it's going to dismantle systems that support families and children. Bringing the point that you're bringing to me has absolutely no relationship to the reason we're here.

Mr Sampson: But you were prepared to tolerate it with Bill 175 under the previous government.

Ms Hoshizaki: Since I'm at a disadvantage, since I'm not certain of the point you're making or the legislation you're talking about, it's really difficult to comment on.

Mr Sampson: I suggest you might take the record for 175 and take a look at it. It did affect the pensions of teachers, among a number of other statutes, a total of 19 ministries, and yet there was no public debate and I don't recall any submission from you people that that was a draconian piece of legislation and a misuse of democracy.

Ms Hoshizaki: What I do find interesting though—your point being that we're self-interest groups. Obviously, if we were a self-interest group, that would be legislation since it obviously, as you said, must have affected our pensions. We would have been the first one at the table. However, what we're the first one at the table about is legislation that's going to impact on children.

The Chair: Unfortunately, we've exhausted the time. I'd like to thank you for coming today and appearing before the committee.

CITIZENS FOR PUBLIC JUSTICE

The Chair: Next to appear before the committee today will be the Citizens for Public Justice. Thank you for coming today to appear before the standing committee on general government. You have 30 minutes today for your presentation. You can use that time as you see fit. You may wish to leave some time at the end of your presentation so that each caucus may respond or ask questions. Before you begin, I would appreciate it if you could tell us about your association and read your names into the record for Hansard and the committee members.

Mr Gerald Vandezande: My name is Gerald Vandezande. With me are Jennifer Harris and Brian Walsh. They're co-chairs of the Citizens for Public Justice, an independent national citizens' organization that works on a non-partisan basis on the development and advocacy of alternative social, economic and fiscal policies that we interact with with government. There's a description of our organization in the notes for remarks that are being circulated.

I'm conscious of the time limitations and therefore propose that we as quickly as possible introduce our concerns through a summary that will take up to, at the most, 12 minutes. Recognizing the rules, we would like to respond to each party's comments or questions, assuming they stick to the three minutes, and we will use those and that way we each get a fair chance to speak our mind.

As a non-partisan organization, we have really been struck by the fact that Bill 26, the way it emerged, the way it was dealt with in the Legislature and the way it is now being dealt with, has become the focal point of a real controversy in the province that we think must be avoided in future.

It clearly spells deep trouble when people become extremely angry with one another and that anger is entrenched over the violation of what people perceive to be fundamental principles of our democracy as to how you deal with the massive restructuring of our society and the establishment of budget priorities that deal with the future of our social safety net and other matters of major concern.

As our notes indicate, Citizens for Public Justice has appeared before a variety of committees of the Legislature, and in 1989 there was a unanimous recommendation by all the members of the committee—so that was a cross-party agreement—to establish a round table on social policy and the economy to provide for the integration of social and economic policies. We very much pushed that idea.

If anything, Bill 26 has demonstrated, at a huge, angry debate around the tax cuts that have been imposed, particularly on the poor and the vulnerable, that we need dialogue in this province, through a process in which everyone feels that he or she is taken seriously, so that the stakeholders who deal directly with the people who often face desperate situations, as well as the people who are caught in those situations, can be heard, can be taken seriously and whose ideas can be taken into consideration before laws are drafted, policies are developed, programs are being implemented.

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We fully agreed with the standing committee of the Legislature that there ought to be this round table, at arm's length removed from the government, which allows for a critical examination of all the options that are available so we benefit from the best insight available, not only within the Legislature but also beyond, particularly among the stakeholders; and that therefore a consultation process takes place, as we propose at the bottom of

page 2 in our first recommendation, that involves the municipalities and the other transfer partners as well as other members of the non-government sector, whose major concern would be the elimination of hunger, material poverty and homelessness in the province in a way that would be fiscally responsible.

Our second recommendation on top of page 3 deals with the need to eliminate poverty. For us poverty, like national unity, is a non-partisan issue. We need to deal with that social misery, that societal disease, in the most cooperative way possible in which everyone feels free to contribute, is enabled to contribute.

In order to do that, I think it is crucial that when the government considers what actions need to be taken we get the benefit of the advice out in the community; before, for example, cuts on welfare are imposed, that there be long-term impact analysis as well as withdrawal of community and social services. What impact would that have on deficit and debt reduction? What impact would those measures have on job creation? How would these measures that are contained in the fiscal and economic statement by Mr Eves and the forthcoming budget get at the necessity to reduce poverty, homelessness and hunger in this province?

We're prepared to say more about the composition of the round table and how the standing committees, such as this one, could engage in community-wide hearings before the vital decisions are made with respect to the future of the economy and our social policies.

I want to address for a moment the statements made in the Common Sense Revolution. The summary lists those well, on page 20. No one really wants to quarrel with the objectives, the goals, of the Common Sense Revolution. However, I think before they're implemented, this committee, the government, the round table, the community are entitled to know what impact, for example, the 30% cut in provincial income tax rates will have on the economy as a whole, on the people who will be positively affected as well as negatively affected by those income tax rates.

This morning Mr Harris, in a very interesting dialogue with Peter Gzowski on the CBC show, made the point that the 30% tax cut is a self-financing job creation program. That may well be true, but we need to hear the facts. How do you confirm to Ontarians that this indeed will finance a job creation program that produces three quarters of a million jobs? That's your contention in the Common Sense Revolution. That's in the throne speech. That's in Mr Eves's statement. That's in the material that was tabled in connection with Bill 26. But you need to produce the studies that show that that indeed will happen.

I have given to the clerk for your consideration a copy of a bunch of studies done by the non-partisan Canadian Council on Social Development, and I refer you to charts 19 and 20, where you see how the tax cut will be distributed. You will see that, contrary to what Mr Harris said on the CBC program this morning, only 2% of the proposed tax cut will go to 29% of the population with an income under $25,000, that the bulk of the tax cut, namely, 41%, goes to 13% of the population who earn $85,000 and over. Clearly that is an inequitable distribution of the tax cut.

That needs to be examined carefully by a round table or a standing committee, together with other factual information that other people may have, including the Conservative Party, so that we can come to a clear, comprehensive, unbiased understanding of how we can best strengthen the social safety net, enable people to live with dignity, free from poverty and from homelessness, and thus achieve one of the goals that this government has set for itself. I will leave it at that for now.

Just to conclude, it is important that as one of the recommendations of this committee looking forward to the future, trying to prevent a debacle from recurring, you as a committee as a whole, or if necessary as individual parties signing your name to a report, strongly recommend to the Legislature that in order to prevent the kind of unfortunate confrontation that occurred in the Legislature, you establish by common consent a common process that invites the common people of this province to participate for the common good in such a way that no one feels ignored, no one feels excluded from the democratic process, but everyone feels part of the decision-making that affects our common future. But that means common participation by the common people and that no one is taken for granted or taken for a ride, that everyone is given equitable treatment.

Thank you, Mr Chair. We'll be glad to answer any questions you may have, and my colleagues will be more than pleased to respond.

The Chair: Thank you and we'll start off—we have seven minutes per caucus—with Mr Silipo.

Mr Silipo: I'll just start by saying that I think the point and the information that you're supplying to us around the tax cut is helpful, and I thank you for that, because it certainly makes the point that we've been trying to make, which is that, first of all, this is what is driving the government's agenda, and secondly, the distribution of the tax cut will really benefit greatly those who already earn more and are better off than the average citizen in the province.

But going beyond that, I wonder if I can just sort of play the devil's advocate a little bit, if you'll forgive me for that turn of phrase—

Mr Vandezande: Well, you've used it.

Mr Silipo: But in terms of the thrust of your brief, while it makes a lot of points I certainly find quite easy to agree with, if I were looking at this I guess from the perspective of the government, I would say what you're suggesting to us really is a big discussion process here and we've got major economic problems that have to be addressed. So how is this going to lead to us fixing the problems that we have in front of us?

Mr Vandezande: My colleagues may want to add, I think Bill 26 should not proceed as it is. I think those vital elements of the bill that deal with the restructuring of power and authority relationship between the Ontario government and the Ontario municipalities, a section that you are dealing with, should be set aside until further hearings have taken place, not only with Mrs McCallion

from Mississauga but also with other mayors, asking, "What is the best structural relationship that allows for a co-decisive process?" not simply saying to municipalities: "This is the way you've got to do it. If you don't, we're going to force you to do it."

I think, therefore, certain parts of Bill 26 need to be split from those sections that could proceed. There is a section dealing with the authority to borrow, and clearly that's a routine measure that needs to go forward. But other vital measures that radically change the authority relationships between the provincial and municipal government, as the transfer partners, need to be looked at further before you make decisions that you may regret later, and then you have to come back and revise the legislation again.

Mr Silipo: You're suggesting that in those conversations what we need to be doing is addressing the points that you make here on page 3 of your brief, starting with the human needs of the people of the province, the social rights and responsibilities of our communities.

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Again, these are things that certainly I, for one, would support. But just to pursue the point, how would we structure that kind of a conversation or discussion in a way that we as parliamentarians at the end of the day would feel that there are conclusions drawn that would be guiding both the province and the municipalities and others in the delivery of services across the province?

Ms Jennifer Harris: I think central to what we are recommending is a process that was agreed to unanimously by this committee in 1989, the idea of a round table on social and economic policy. We don't conceive of this as something that would have binding authority on the Legislature but rather it would give input for people who have some expertise, some stake and some creativity to work together to come up with better ideas.

Our sense is that the kind of roadblock that this legislation is hitting is based, essentially, on a lack of input and a lack of the creativity that such input could bring. There's never been a process such as the one that was recommended and was agreed upon unanimously by the standing committee. The Premier's councils never really functioned in the way that we're talking about. They themselves were split between social and economic policies, under the NDP government anyway.

What we're suggesting is something that would bring people together to come up with the kind of creative solutions that I think are available and would enable us as a province to move together towards solving these problems rather than the adversarial situation we find ourselves in now. Surely this cannot bring any kind of peaceable resolution to our common problems, if we're all fighting with each other, which seems to be the situation right now.

Mr Hardeman: Going back to the question that was just made by the presenter concerning the municipalities and striking out that section that aids the realignment of municipalities and their ability to restructure and become a more efficient and effective form of government, the suggestion that we should hear from more than two mayors, I want to tell you I've been one of those mayors and I've been in municipal government for a lot of years and it seems to me that we have heard from numerous municipal politicians who have been telling us for a considerable length of time that we need some form of process that will allow the realignment of municipal government to be more functional and more cost-effective.

I believe the legislation does in fact do that, provide the local initiative and provide the minister with the ability to make the process initiated locally happen. I was just wondering if you could outline for me what you would see would be required to deal with that, assuming that we have the local initiative that wants it to happen. Where would you go from here to say: "We don't want what's in the legislation. We want something different"? What would that be?

Mr Vandezande: I think it is important that the process go from the bottom up rather than from the top down. As you know from your own situation in Oxford county, in Woodstock there was a different sentiment as to how a municipal government plays a role in that largely rural area than you have in downtown Toronto.

I think the diverse needs as to what kind of structural relationships might be most appropriate to the kind of community that you find in different areas of the province need to be taken into consideration. To impose from the top down a uniform pattern, "This is how municipalities ought to be structured. Never mind what the local needs and sensitivities might be," is inviting this kind of alienation that we've experienced in the past.

My suggestion would be that if that section of Bill 26 was set aside, not to engage in discussion ad infinitum but to state seriously what AMO and other organizations have to say regarding the diversity of needs across this province, then to say perhaps we need to reword the way in which restructuring takes place.

Which local initiatives ought to happen? What kind of plebiscite or referenda need to take place so that local people feel that they own the process, that they have a stake in the new kind of structures through which their elected representatives can meaningfully deal with local situations in terms of social programs and community services and other obligations as well as in terms of their relationship to Queen's Park?

I think that process is important. Now—and some people within your own caucus have shared that with me—they feel that this is very bewildering. All at once, from Mount Olympus, comes this pronouncement, "This is the way it's going to be in the future." I think it needs to be owned locally.

Mr Hardeman: I would suggest that, in fact, the legislation does just that.

Mr Vandezande: But there is the power for the minister—

Mr Hardeman: The local initiative to allow the minister to expedite it along as opposed to going through legislation—it could be done by regulation—

Mr Vandezande: But my concern—

Mr Hardeman: —but it will be done from the bottom up.

Mr Vandezande: But my concern is that the minister has considerable power to say, "But this is the way it

shall be" without there being any criteria in the act to say what conditions he or she must meet before he or she can give it final approval. So I think there ought to be criteria in the legislation that allows municipalities to determine, "These are the conditions and terms that we must take into consideration before we develop a plan;" and secondly, that the minister must, together with his or her colleagues, determine whether the actual application meets the criteria that have been set forth in the legislation. The legislation currently does not provide such criterion conditions.

Mr Hardeman: I think I would just go on with that one and point out that, in fact, AMO supports this type of approach strictly for the reason that you have just mentioned, that in fact you cannot set in legislation criteria that will match or that will suit the needs of the provincial municipalities. As you mentioned earlier, Metropolitan Toronto is different than Oxford county. We cannot have in legislation the type of criteria that each one must follow in order to meet a provincial standard. The legislation is written out so regulations can be provided for each local area that wishes to look at restructuring so they will be able to come up with a plan that suits that local need.

Mr Vandezande: With respect, my concern is that the regulations that would be developed—they do not go through the Legislature, they do not go through a legislative committee, they are passed in cabinet and so there is no democratic input and participation in the formulation of those regulations. It's precisely the introduction of arbitrary regulations of that kind that has alienated people, whether it's on the social policy front, on environmental concerns, or now with municipal-provincial authority relationships. That will get people up in arms and say, "Why did we not get a chance to contribute to the formulation of this plan and these conditions?"

I personally am not that happy with the way regulations have been used to circumvent the legislative process and, worse, to circumvent the legitimate rights and freedoms of local citizens.

Mr Hardeman: You're implying that in fact the approach used in London-Middlesex, imposed by the province, was more democratic than what this new process would tend to meet?

Mr Vandezande: I'm not happy what took place in the past and I'm not happy what looks on the table now, and I say before we get caught in a trap that we really didn't anticipate, let's give the local people, like in Oxford county, a chance to say, "This is how we think about it," rather than having a few mayors and a few other politicians decide how things shall be done from here on in.

The Chair: Mr Young, you've got about 45 seconds.

Mr Young: Thank you for an excellent presentation. I just read through this paper as I was sitting here, the Backgrounder, and I agree with you, we have to make changes. You said, "We have to adapt our social programs and economic policies."

Do you have any recommendations for some creative solutions how to help 40% of welfare recipients who are children? Some new ideas how we can direct more help to the children?

Mr Vandezande: We're prepared to table with the committee copies of all the briefs and submissions that we've made to the Ontario government over the last decade, as well as to the federal government, dealing with those issues, and we'll be glad—

Mr Young: I would like to see them.

Mr Vandezande: We will be glad to meet with each individual caucus and with the appropriate committees of the Legislature to elaborate how that can be done. There is no question in our mind that something needs to be done with the current welfare system. But again, as I mentioned to Mr Hardeman, no radical changes in any system, be it the municipal authority or the welfare system, should be introduced without consulting those who are directly affected and often seriously affected by the regulations that are passed in a cabinet without consultation with the Legislature and the people who are going to be suffering because of it. So we'll be glad to meet and appear before this committee or another committee to go through those specifics.

The Chair: Thank you. The remaining time is left for the opposition party.

Mr Crozier: Thank you for your submission. Although it wasn't specifically mentioned in your brief I'd like your opinion on something, and I'm quoting from Hansard of the government agencies committee last week which appoints people to boards and commissions. A government member, Mr Wood, said that we had pointed out that the process that was followed for appointments is different now than it was under the Liberal and the NDP government, and he went on to say, "The people's decisions are going to be made by those who are elected by the people and the proof that this system is working is the appointment" we made that morning.

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I confirmed with that member that what he in essence was saying was that it was a patronage appointment but it was a PC or a Tory appointment per se. The reason I mention this leading up is that I suspect you have some views on people's privacy, notwithstanding the fact that they are on social assistance. This is what I want to zero in on, because the appointment to that committee, the person who was appointed to the Social Assistance Review Board, Mrs Dodds, said, "The right of the public to protect its money must outweigh the right of an individual to privacy." She said this to a legislative committee in 1994 in support of a demand that welfare recipients be stripped of all privacy rights.

I wonder, since privacy is part of this bill, if you might comment on that.

Mr Vandezande: Now that you raise the specific instance, as an organization we have grave concerns on two fronts. First of all, people who are placed in a position of public responsibility ought not to be there because of partisan affiliation but because they have demonstrated the necessary competence and qualifications needed in order to fill their public obligations to the larger community.

In the discharge of those public responsibilities and duties, it is crucial again that a board such as the one you mentioned has criteria that members must subscribe to but can't come there with their own private agenda. Everyone takes his or her convictions with them to the meeting, but it's crucial that a board such as this one is, as they say in legal jargon, seized by a mandate, is required to function within a task description from which no one can part. Otherwise, that person ought to resign.

So I think we need to have an independent assessment of the qualifications needed for the discharge of public responsibility on behalf of the government of Ontario, and that's not the Conservative Party or the Liberal or the New Democratic Party. Therefore, in my view, the person who was put forward should not have been nominated, should also not have been approved, but there should be an approval process through legislative committee.

Mr Crozier: But briefly, I'm concerned that to protect the public's money outweighs an individual's right to privacy.

Mr Vandezande: That is the point we have talked about in another section of our submission. We need, in the province, much more integration of views, rather than saying it's either this or that, it's either the fiscal deficit or the social deficit. We need an integrated approach. So a board such as that must of course deal with the protection of public money. We're custodians of the tax dollars that Canadians have entrusted to the treasury.

At the same time, we must be respectful of the privacy rights of citizens who, because of certain sections of the law, are entitled to social assistance. There's no question about that and I think the Human Rights Commission, if it remains, will quickly rule that this kind of investigation of a person's private life is a violation of the fundamental rights and freedoms that we've enjoyed in this province and in this country.

Mr Gerretsen: I wonder if I could just follow up on something, the discussions you had with Mr Hardeman, my former municipal colleague. Having been involved with AMO for some eight years on its executive and as president of that organization back some 10 years ago, I think what has been missed by the Minister of Municipal Affairs—and I'd like your comments on this—is the whole notion that once you talk to AMO, that sort of deals with the entire municipal concerns that are out there.

As you have pointed out in your presentation, the general public outside of the municipal councils have a great deal at stake as well. We've seen it in Bill 20, where there's been a direct attempt to take the general public out of it, because you can no longer appeal certain matters to the OMB etc. I'm just wondering what your comments are on that.

In coming up with the community values or the community way of doing things, it isn't just the municipalities that are doing that. I'm saying this as a former mayor. One of the things that makes municipalities work so well is because of the public processes they have. This process needs this as well. Regulations aren't going to do it. They may very well end up in the hands of the wrong person somewhere down the line. This Minister of Municipal Affairs may be the nicest person in the world and do the right thing, but the next person might just not be that way. That's where regulations put you into real difficulty. Do you have any comments on that?

Mr Vandezande: I won't repeat what I've argued earlier with respect to regulations, but you, as a former mayor of Kingston, know that your situation is different from Woodstock and Toronto. I'm also concerned that we do not assume, once we've talked to four or five or even 12 people from AMO, that this represents the views of all the municipalities in this province. Certainly, it doesn't mean that you've then heard all the views of people living within those diverse municipalities.

So I think during municipal election campaigns, it would be very useful if the people were asked to share their views or test the candidates running for public office as to what kind of a municipal plan they would like to put forward to the Minister of Municipal Affairs so that we get some genuine debates at the municipal level as to how we can best create, strengthen and advance the kind of community that has made Kingston, Woodstock or downtown Toronto unique. That should not happen behind closed doors; it should not happen through consultation with half a dozen AMO executives. We must have a much more participatory society in which the democratic rights and responsibilities of all are really being heard.

My concern is that this legislation perhaps unwittingly transgresses the borders between a government's clear obligation to give leadership, but you must make sure in giving leadership that people whom you seek to lead understand where you're leading them. If you don't, six months down the road you'll have another revolution on hand.

So common sense requires that you act for the common good on the basis of certain common values of mutual respect, mutual responsibility that takes people seriously and that says: "We've heard you. If necessary, we'll change the law." I think the best way the Harris government could confirm its commitment to what it perceives to be common sense is to say: "We want to hear from the common people in Ontario what their values are, what their shared commitment is to the future of this province. We'll listen to that and then we'll see whether the law shouldn't be changed."

The Chair: You've come to the end of your half-hour. Thank you for appearing today.

It's my understanding that we've had a cancellation for the 2 o'clock spot.

Mr Vandezande: We'll be glad to take that spot.

The Chair: The Aggregate Producers Association of Ontario will submit something in writing at a later date, so we will recess until 2:30.

The subcommittee recessed from 1358 to 1429.

ONTARIO TEACHERS' FEDERATION
FÉDÉRATION DES ENSEIGNANTES ET DES ENSEIGNANTS DE L'ONTARIO

The Chair: Good afternoon, gentlemen, and welcome to the standing committee on general government. This afternoon you'll have 30 minutes to make your presentation. You can use that time as you see fit. You may wish

to leave some time at the end of the presentation for responses and questions.

Before you begin your presentation, I'd appreciate it if you could introduce yourselves and your organization for the benefit of the members and Hansard. You can commence at any time.

M. Ronald Robert : Bonjour, Monsieur le Président. Merci. Je vais commencer par présenter mes collègues.

The Chair: Excuse me; we've got listening devices we're going to pass out, translation devices. Give it a few minutes and we can do that. Okay?

Mr Robert: Okay, as long as you're not eating up my 30 minutes.

The Chair: No, we'll make allowance for that.

Mr Robert: All right, then, that's fine. The part that you've got is already in English. It's only part of my presentation that will be done in French.

Mr Pierre Lalonde: You have the text in English. We are a bilingual organization.

Mr Frank Klees (York-Mackenzie): In the interest of time—

The Chair: Mr Klees, I think we'll allow them to do their presentation as they see fit.

M. Robert : Merci, Monsieur le Président.

The Chair: Okay, we'll reset the clock and you can proceed.

M. Robert: Je vous remercie de nous avoir donné l'occasion de vous adresser dans l'autre langue officielle du Canada. Je voudrais reprendre les présentations que j'ai faites initialement : à ma gauche, le secrétaire-trésorier par intérim, M. Pierre Lalonde, ainsi qu'une collègue de travail, une adjointe administrative à la FEO, M^{me} Ruth Baumann. Mon nom, c'est Ronald Robert. Je suis le président de la Fédération des enseignantes et des enseignants de l'Ontario.

C'est au nom des 130 000 enseignantes et enseignants de l'Ontario que je vous remercie de l'occasion qui nous est donnée de présenter au comité permanent des affaires gouvernementales nos points de vue et inquiétudes à l'égard du projet de loi 26.

Nos membres sont les enseignantes et les enseignants qui oeuvrent au sein du système élémentaire et secondaire financé par les deniers publics, aussi bien les écoles séparées et publiques que les écoles de langue française et anglaise.

Nous sommes ici parce que nous croyons à la démocratie parlementaire et parce qu'une partie de notre tâche est d'éduquer les enfants, les jeunes, et bon nombre d'adultes au sujet des valeurs et du processus de cette même démocratie.

Les choses vont trop loin, trop vite, et avec trop peu de débat. Nous ne pouvons pas accepter ceci comme une façon légitime pour un gouvernement de mener ses affaires.

The people of Ontario have enjoyed the benefits and openness of parliamentary democracy for 128 years. The Legislature debates changes to laws. Committees of the Legislature engage in public hearings on issues of significant import, and regulatory changes made by the Lieutenant Governor in Council are made in an orderly and accountable context.

Bill 26, the Savings and Restructuring Act, tabled on November 29, 1995, introduces a new strategy of government: Change 44 laws and statutes in hundreds, if not thousands, of ways in the name of increased efficiencies and savings. Bundle the changes together in a great tangle. Make those changes with only minimal public hearings and without the separation of the whole into its parts. Do this because if examined separately and carefully, some or many of these changes will cause public concern and outcry.

As vast as it is, Bill 26 does not address a number of issues announced on November 29, such as the changes to the entitlements and funding for junior kindergarten and for secondary school programs for adults over 21. As representatives of Ontario's teachers, we wonder what the next omnibus bill will bring.

Finance Minister Ernie Eves defends the government's actions by saying, "Unprecedented circumstances call for some very decisive action to bring this expenditure spirally debt we have in this province under control." We say that the need for decisive action does not cancel the society's entitlement to frank and open debate and to have the opportunity to understand fully what changes are being proposed.

My colleagues and I would like to highlight some of the changes included in this legislation and their ramifications for the society in which we live.

Collective bargaining: The federation is concerned about the proposed changes to arbitration provisions of many public sector employees, including the School Boards and Teachers Collective Negotiations Act. When the Conservative government of Ontario introduced similar requirements in the Inflation Restraint Act of 1982 for public sector arbitrators to take into account the employer's ability to pay and the province's financial situation, those provisions of the legislation were the subject of a complaint at the International Labour Organization in Geneva and were the subject of a ruling in favour of the employee organizations in 1985.

Several respected arbitrators, including Owen Shime, Mr Justice George Adams, Kevin Burkett, Kenneth Swan and Martin Teplitsky, all clearly challenged the validity of such a requirement in the arbitration process, noting that it has always been part of the evidence which employers could introduce.

The requirement to apply the "ability to pay" has been criticized by arbitrators as nothing more than a code for "willingness to pay." In effect, this provision of the bill allows public sector employers to impose wage controls through another means. As with many other provisions in Bill 26, the government is offloading the responsibility to implement its policy to other agents while centralizing more and more control and authority over public policy in the government and the cabinet.

Health: As members of the public, we are concerned about the provisions of the bill which affect access to confidential records by the Minister of Health. Other proposed changes, such as deregulation of drug prices, privatization of some health facilities, and ending the preference for non-profit facilities and for Canadian

ownership, threaten the fundamentals of our health system. The legislation would allow the minister to close hospitals unilaterally.

1440

Terence Corcoran of the Globe and Mail, usually a supporter of privatization and decentralization, describes Bill 26 and its health provisions as "the ominous bill...a draconian power grab by the health minister." The changes for doctors are "the most extreme coercion imposed on any group of employees since able-bodied men were drafted into the military," he went on to say.

Municipal restructuring: The Minister of Municipal Affairs will have much greater powers to restructure municipalities and, we assume, school board boundaries. The amendments refer to various municipal structures, including boards, and the section of the Municipal Act dealing with definitions makes clear that school boards are included. This bill must be amended to remove school boards from that definition.

The Ontario school board restructuring task force has been working since early spring on a report for the Minister of Education and Training. How will the amendments proposed in Bill 26 affect that work? There are amendments which will make the privatization of municipal utilities and the imposition of new user fees easier. Previously, the privatization of public utilities, including electricity, water, sewer or transportation services, required the holding of a municipal referendum on the issue. Municipal reorganization outside of Metro and the regions will no longer require public involvement. There will be an erosion of standards and services, and the downloading of costs to the municipal ratepayer.

The GTA task force commissioned a report on economic competitiveness. This report by David Pecaut, Boston Consulting Group of Canada, identifies the physical and service infrastructure of the greater Toronto area as one of the great attractions for investors. How attractive will Ontario be without good roads, garbage collection, water treatment etc? Where will our provincial community standards for service and infrastructure be?

Pay equity: Bill 26 removes proxy comparisons for public sector employees lacking appropriate comparator groups. It will affect thousands of child care workers, others in health care, seniors' homes. Ontarians have embraced the principles of pay equity, but there are many groups for whom the obvious mechanisms don't work. The proposed changes in these provisions will continue the ghettoization of these women.

The Freedom of Information and Protection of Privacy Act: Institutions covered by the legislation will be able to deny access on the grounds that a request is frivolous or vexatious. All costs associated with a request can now be charged to the individual making the request. Tom Wright, Ontario's Information and Privacy Commissioner, has suggested that the proposed changes threaten the fundamental right of Ontarians to know what is going on. The debate about this legislation is about public scrutiny, public debate and public knowledge and consent.

The Information and Privacy Commissioner has also expressed his concerns about the effects of the changes on access to confidential health records. A fundamental tenet of democracy is an informed electorate. This legislation not only does not facilitate informing the people of Ontario, it creates barriers.

In conclusion, we are experiencing first hand a lesson in Ontario civics in 1995. This legislation transfers power from community institutions, like school boards and community hospital boards, to centralized provincial bureaucrats.

The legislation itself, and the government's insistence on speed before public consultation and debate, demonstrate disdain for the citizens of the province. As teachers, we would not treat students or parents in this manner, nor should we or our fellow citizens be subjected to this bullying.

It is incumbent on a government that is truly committed to governing democratically to respond to the public. It is clear that the complexity of this bill is confusing to even the government's own ministers. Several ministers have had to admit publicly that they either are ignorant of the contents or do not understand the effects of the proposed legislation. It is astounding that those who will be responsible for the administration of the laws created, should this bill pass in its present form, have so limited a knowledge of the legislation. Such comments alone should be enough for the government to withdraw this bill and reintroduce its schedules as several separate bills.

More time is needed to assess properly the contents and the effects of this proposed legislation before its passage. We are concerned about the lessons this government is teaching our students about the exercise of power in this regard for the democratic process.

Nous avons tenté d'obtenir une copie d'accompagnement, le document qui explique chaque changement du projet de loi 26. Le Bureau du greffier nous a avisé qu'il n'était pas disponible. À la suite de 10 appels téléphoniques à divers bureaux, y compris le bureau de l'accès à l'information, le ministère des Finances et la bibliothèque législative, nous apprenions que le document était disponible par photocopie à la bibliothèque seulement.

On demandait 30 cents par page et, de plus, on devait obtenir un rendez-vous. Afin de publier les quelque 2225 pages, le coût s'élevait à près de 700 $.

The people of Ontario deserve better. They deserve the opportunity to understand what these changes are and to voice their opinions about the acceptability of the proposals.

Mr Young: Thank you for coming here today and thank you very much for your presentation. I wonder if you could tell us, do you accept the need to reduce the cost of government and restructure, and if so, do you agree with your affiliate, the OSSTF, which talked to us this morning, that confederated boards would be a good way to go? If not, what do you agree on with regard to restructuring and cost reductions?

Mr Robert: I suppose if I had really wanted to get into that kind of decision-making, I would have run for Parliament the last time around. If I didn't, it's because I felt that there were maybe others who had to do the decision-making, and it's for you, the parliamentarian, to make that decision.

There are a few things we should remember. We did not get into this deficit position in the province of Ontario, nor in Canada, overnight. How many balanced budgets have we had in the last 44 years in the province?

Mr Gerretsen: One.

Mr Robert: Thank you. Therefore, if it took—

Mr Young: Thirty-three tax increases, but that's okay.

Mr Robert: Do you want the answer? Thank you.

If it took us 44 years to get the deficit position we are in now, we cannot go about this drastic change overnight. If I had one main concern that OTF is bringing to you, it's that one. You cannot do this radically without hurting the province of Ontario, without hurting the people.

1450

Now, specifically to your question on the OSSTF confederated school boards, we have not, at OTF, taken a position on the document itself. First of all, you must remember that OTF is composed of the five affiliates. We have the Ontario English Catholic teachers, who are fundamentally against confederated school boards. We then have the francophone teachers of Ontario, l'Association des enseignantes et des enseignants franco-ontariens, who have severe reservations about how francophone services would be met through a confederated school board. There are other opinions around the table, differing opinions. There is not unanimous consent at OTF on confederated school boards. It is the position of one affiliate, and one affiliate only.

Mr Young: Is there agreement among your affiliates on where the savings could be found and the need for savings?

Mr Robert: I don't think you're going to find the teachers saying that the deficit is not a problem. There is a problem. What we're saying is, slow down. This is not common sense. At the rate we want to go at it, it's nonsense. We have to look at how people are going to be affected.

I listened to Larry Grossman on November 30, where Larry said quite bluntly that the government must measure the impacts of the cuts it wants to bring forward. At the speed you are doing this, you're not going to have time to measure the impact.

Mr Phillips: Just to follow up on the comments from the Conservative member, what this exercise is all about is cutting expenditures so the government can fund a tax cut. I carry this around with me, the Common Sense Revolution. The government says it is planning a $5-billion tax cut and it will fund it by cutting expenditures by $8 billion. What we have is what you call deep, deep cuts. The government is planning to cut about $8 billion from its expenditures, and if it lives up to its word about not touching health care, that's 25% of everything else. That's $8 billion, $5 billion of it to the tax cut and $3 billion to the deficit. If this were just about fighting the deficit, I think they may have a lot more agreement around the province, but this is about funding a $5-billion tax cut, and it's personal income tax, so the more you make, the more you get.

As the Conservative member raised what this bill is all about, it is about implementing their tax cut. Has the OTF had an opportunity to take a position on whether you are in support of a $5-billion tax cut or whether you think there's a different route we should be taking?

Mr Robert: I think if we asked individuals in the province if they'd prefer the 30% tax cut to go into their pocket or to take the 30% tax cut and apply it to the deficit, many would say, let's eliminate the deficit so that everybody in the province could enjoy the benefits of that.

Let me be a little more specific as to education itself. The proposals that the trustees have brought forward are looking at dismantling a good public education system. They did not do this in any partnership way whatsoever. They're taking advantage of the situation, and that's what we fear, that we're not doing this to make sure the partners or education will be better as a result.

By dismantling education in the province, we will not be doing most of the population a great deal of good. It flies against all the proof we have out there now about the need for the education of our younger children—junior kindergarten—and the adults who need a second chance to get back on their feet and make an independent life for themselves. We're eliminating those processes and we're really not looking at the severity of the cuts.

I'll make a comparison with the free trade agreement. The Conservative government said, "We'll help those in transition who will lose their jobs." I ask you, what proof is there that they really did help? We probably get a lot more people saying, "We didn't get any help." We think the 30% tax cut could be used more wisely back on the debt rather than back in the pockets of the individuals. Then all of Ontario could benefit.

Mr Phillips: On the collective bargaining, on the interest arbitration area, I think this is going to be the subject of a lot of debate at this committee. I might add that we were very supportive of your recommendation to try to find a way that this bill have far more debate and far more input.

I would speculate that OTF has been working night and day just to figure out what's in the bill so far. And your time is up, frankly, because you can't be heard again. This is it for you.

On the collective bargaining issue, in the mid-1980s, I gather, it was taken to an international tribunal. We asked the question, does the language "ability to pay" exist anywhere else in Canada? We were told that at one time it did exist in British Columbia and Alberta, and I gather for a short period of time here in Ontario, but in all three cases it's been taken out, for whatever reason. Does OTF know why it was taken out in Alberta and British Columbia?

Mr Robert: No, we don't. Only one comment maybe on that, Mr Phillips, is that the ability to pay is already part of the process of the teachers' collective negotiations process where the fact-finder—when we come into a critical situation, the question is asked, but it's an open debate then and it's to both sides to present their case of why or why not they can pay or not pay for such a service. It's an open debate. The arbitrator then plays the role he should be playing, a neutral person making the decision or helping those who are there making the decision around this. Right now, with this piece of legislation, we eliminate that process. The arbitrator will

no longer be a neutral person. That's why many of the arbitrators rejected the proposal.

M. Silipo : Monsieur Robert, merci de votre présentation. Les choses vont trop loin, trop vite. As you said, things are going too far, too fast, and with too little open debate.

I want to note the strong language that you use throughout the brief, which I think is perhaps uncharacteristic of OTF. I thought I should note it for that reason, because I think it shows from your organization, as we've heard from many others so far, as I'm sure we'll continue to hear, the views of many across the province that this government is in fact trying to ram this legislation through. As you know, it would have been passed last week had the opposition not decided to prevent that from happening.

I think what we are trying to grapple with on this side of the committee table, as we hear more and more about the lack of consultation, the concentration of powers in the hands of ministers, despite and contrary to the seeming broadening of powers at the municipal level that this legislation gives in terms of powers of taxation, which are there but of which the minister also says, "We'll let them use it only if we like it," I guess we're looking, quite frankly, for advice as to what we do next to try to convince the government about the wisdom of breaking up this legislation into various pieces and allowing a significant amount of debate, which we are trying to impress upon them would be in the interests of the province and in the interests of good government. Is there any further advice that you can shed on that?

Mr Robert: I'll ask Ruth to share an answer on that.

Ms Ruth Baumann: I think our advice would be like the advice given to the person who wanted to eat an elephant: You do it one bite at a time and you try to cut it up into manageable pieces.

Speaking as the staff person responsible for government relations, the great frustration we've had with this is simply trying to figure out what all of the implications are. Between trying to pore through all the pieces, go back to the original statutes and documents to get the full context against which to weigh them and then follow the public debate in the papers and in the Legislature and everywhere else—"It means this," "No, it doesn't mean that; it means this," "He says," "She says"—it would certainly be, I think, preferable if the bill were divided according to the pieces of legislation that are being changed.

I'm not saying that more than one can't be put together where they're related, but in all the years that I've been around on the edge of government decision-making in one way or another, and it's getting close to 20 now, I can never remember seeing so many disparate and really different pieces of legislation bundled together. We've had omnibus legislation in education. It has been a series of small changes usually, sometimes the odd big one, but in a coherent package and not one where ministers of the day have had trouble explaining what the impact would be in their areas of responsibility.

The Chair: Thank you very much. We've come to the end of the added time. I want to thank you on behalf of the committee for appearing today and for your patience while we got prepared.

Mr Silipo: Mr Chair, could I raise a point of order before the next presenter?

The Chair: Surely.

Mr Silipo: I didn't want to address this as part of my questions to OTF, but I was struck by the information contained at the end of their presentation about the difficulties that they had in obtaining a copy of the compendium. I would just like to get some information from you or from the clerk around where this compendium is available, because if in fact the only place that it is available is the legislative library and people have to go and photocopy it there and make an appointment, I would be quite concerned, and I'm sure other members of the committee would be quite concerned.

The Chair: We can check into this and find out where it is as far as government printing is concerned, but I know that there's a turnaround time in printing and so on. I'll check into that. The clerk will check into that.

Mr Silipo: Could you bring that back to us perhaps before the day is over?

The Chair: Certainly.

Mr Gerretsen: If I could raise a point of order, and this is a legitimate point of order, there were some people in the audience here this morning who erroneously got to the wrong room, because I noticed them leave all of a sudden and later on I saw them with the health committee. I'm just wondering, there's no question about people or delegations being directed to the right room in this building on a particular—

The Chair: That's the responsibility of the Legislative Assembly, but I believe we have signs outside the door.

Clerk of the Committee (Ms Lynn Mellor): There are signs, and I would hope that when they're being scheduled they're given the right room number.

Mr Gerretsen: Okay. Thank you.

Mr Curling: The shuffling of different committee rooms would be bit confusing and we should make sure that they are not in the other room.

The Chair: I think this was an agreed-upon situation from all three parties, and we can't change that, but we can certainly make sure that the signage is perhaps clear outside the room. Give them another minute or two to see if they're here.

We've gone to see if the National Action Committee was in the other room, and it's not, so I guess we've got a cancellation. We'll have a recess until 3:30.

Mr Klees: They must be satisfied with the bill, eh?

The Chair: Recess until 3:30.

The committee recessed from 1505 to 1530.

The Chair: Can we please continue now.

CANADIAN UNION OF PUBLIC EMPLOYEES ONTARIO DIVISION

The Chair: I ask for the CUPE, Ontario Division, representative to come forward.

Mr Tascona: He's in the hall being interviewed.

The Chair: Okay, we'll just be patient for a few minutes. The presentation is here. Does everyone have a copy?

The representative from CUPE? Welcome to the standing committee on general government today. You have a little less than half an hour now to make your presentation. You can use that time as you see fit. You may wish to leave 10 minutes or so for questions and responses from the three parties.

I would ask that to begin with you introduce yourselves and your organization for the benefit of the committee and for Hansard.

Mr Sid Ryan: I'm Sid Ryan, president of CUPE Ontario. To my right is Jim Woodward, who is our legislative assistant.

I'm glad of the opportunity to come here today to express CUPE's grave concerns about this omnibus bill, a bill that will have serious consequences for the quality of life of the citizens of this province. Bill 26 will destroy local democratic institutions, devastate public services and impose hardship on the people of this province, especially the most disadvantaged.

I cannot speak here today about Bill 26 without talking about the undemocratic manner in which this bill was introduced and the sweeping powers it gives the provincial cabinet ministers. The government clearly hoped to avoid debate in the Legislature by tabling a bill with no warning when most opposition members and the media were in the lockup over the government's fiscal and economic statement. It is revealing that the government would go to such lengths to discourage attention to a bill that is so fundamental to its agenda.

It's also revealing that the Minister of Municipal Affairs and Housing, among other government members, is unable to explain the meaning of this very important Bill 26. Only protests inside and outside the Legislature have forced the government to hold these public hearings. This is especially extraordinary, given the intent and consequences of this enormous piece of legislation.

It's difficult to predict the precise impacts of many sections of Bill 26. It gives very wide discretion to provincial ministers to change the rules for what other levels of government, such as municipalities, can and cannot do. The bill gives provincial ministers sweeping powers over municipalities, hospital boards, school boards and other bodies.

The provincial minister can change the regulations without having to debate them in the Legislature. Is this democracy? In our opinion, it is not.

This government argues that an extraordinary spending crisis justifies this legislation. During the election, the Progressive Conservative Party of course endorsed the government's spending hysteria, promoted by the corporate propaganda machine. However, the truth is that the continued recession and high unemployment, not overspending, are the reasons why Ontario's debt remains relatively high.

The real spending crisis for the Harris government is created by its commitment to cut taxes. A 30% reduction to the government's single largest source of revenue won't help to reduce the deficit. We say that this tax cut is reckless; it won't create jobs; it will deepen the recession.

The short title for Bill 26 is the Savings and Restructuring Act. What "restructuring" really means is a massive downsizing of the public sector, a step that will lead to a deterioration of living standards for thousands of citizens of this province.

Bill 26 adds to this government's attack on women, children and the poor. It takes away pay equity rights from 100,000 underpaid women who work hard in such workplaces as day care centres, libraries and nursing homes. Bill 26 sets the stage for user fees, another form of taxation. Note that it is not a form of taxation that is linked to income.

Inevitably, these changes will prevent many lower-income Ontarians from using services that are now universally available. The bill will increase the gulf between the haves and the have-nots. But this bill isn't just bad news for women and children; it isn't just bad news just for public sector workers; it isn't just bad news for the poor. This bill erodes services and the quality of life of virtually everyone in the province.

Look at health care. It gives the provincial government much more power over our health care system. It even encourages for-profit, foreign corporations to take over our health care system. It gives the Health minister sweeping powers to close hospitals and it takes away patient-doctor confidentiality. It brings in new user fees for drugs. This will cost seniors hundreds of dollars more per year. They don't deserve this treatment. Will many of them go without life-preserving drugs because they can't afford them? We think so.

Look at what this bill means for the environment. The Ontario Energy Board, the Environmental Appeal Board, the Niagara Escarpment Commission and the Environmental Compensation Corp—funding for all of these is being reduced. Energy and Environment grants of $24 million are being cut. Blue box money is being eliminated. This bill decimates the budgets of our parks.

Let's look at what this bill means for municipalities and local boards. This legislation has an impact in three ways: how services are provided, how services are paid for and by whom, and how decisions are made about the provision of services. Bill 26 makes it a lot easier to privatize municipal services. It removes the requirement to have a municipal referendum. We've said it time and again: This government's true objective is to privatize government.

Foreign corporations are waiting in the wings. Laidlaw, Liberty Mutual, ServiceMaster are examples. Unless we are vigilant, we'll all end up with for-profit monopolies running Ontario. Taxpayers' money will end up in the hands of a few privileged people.

The bill demands audits and efficiency reports. They are another instrument to move municipalities towards contracting out and privatization. Funding is being cut dramatically. Inspections can be framed to make publicly provided services appear inefficient.

Privatization does not mean that costs go away. It does mean that decently paid municipal sector jobs are replaced by low-wage, non-unionized jobs. It also means

that service quality suffers. None the less, this government has made it clear that it is ideologically committed to the goal of privatization, and it seems indifferent to the potential costs.

There is ample evidence of those costs. One example is utility privatization in Britain, where privatized water and sewer utilities resulted in massive increases in rates. Water bills increased by 74% in the first five years alone. According to the International Herald Tribune, the privatization of British electrical utilities has meant fat bonuses and paycheques for top executives, large-scale layoffs, higher bills for consumers and worse service. The British public is furious. In the meantime, the private firms are profiting to the tune of 108% in four years. This is our future with Bill 26.

If Bill 26 goes through, not only will many municipal workers' jobs be threatened but many long-term workers may lose their seniority rights, wages and their successor rights. Is this democracy? We think not.

This government has made it clear that it wants less government involvement in services. With this bill, it abdicates its responsibility to ensure that services are affordable, accessible and equitable.

The provincial government is offloading its responsibility to provide services on to the municipalities. Municipalities will have no choice. They'll have to increase taxes and charge user fees and other levies.

They'll also feel the pressure to contract out and privatize services. But of course this government isn't considering the cost of privatization. In fact, under this legislation, if a lower tier of government opposes the contracting out or privatization of a particular service that the minister favours, the municipality could be penalized or forced to accept the privatization.

Bill 26 will also give the minister and municipalities the power to change or dissolve local boards such as public utility boards, library boards or transportation commissions. Forced amalgamation of boards could be ordered by the minister on the recommendation of a local body or a restructuring committee.

The minister would have the power to alter the structure and delivery of services overseen by a local board, including—surprise, surprise—the contracting out and privatization of services. If a local board tried to resist the changes, the will of the minister could be imposed. The board would face an externally designed restructuring or be dissolved.

Bill 26 gives the government the power to annex, amalgamate, separate, join, dissolve or incorporate municipalities. Municipalities will not have the power over this decision.

Municipal politicians could be personally penalized if they oppose municipal restructuring and refuse to abide by provincially set regulations. Municipal councillors will be either forced to swim with the right-wing current or have a heavy price exacted on them and the constituencies they represent.

1540

Because the regulations haven't been revealed yet, we cannot know the full impact of this bill. It has frightening prospects.

The muzzling of elected officials will mean that CUPE locals may no longer really be negotiating with their direct employers. The province, through either the minister or the restructuring commission, will set the agenda for change and municipalities will be obligated to implement those changes.

The province will be the ghost at the bargaining table. Normal labour relations will be stymied. This is all on top of what has already been done to the municipalities. Their grants have been slashed by close to 50% over two years.

We know that communities have been forced to consider the elimination of community programs and arts programs, and of course municipalities will have to bring in user fees. Citizens of Ontario will find themselves paying directly for many services previously provided and supported by local or provincial taxes.

Let's examine what the shift to user fees means for the average- and lower-income taxpayers. Income taxes collected by the provincial government and transferred to municipalities are designed to draw more revenue from the wealthy taxpayers who can afford it. In stark contrast, user fees are a flat tax on all users regardless of their income or ability to pay.

Can the working poor or even the lower middle class afford to pay for road maintenance, garbage collection, blue box pickup, library services, parks and other services? Citizens will have no avenue for appealing unjust charges and fees. Bill 26 would prohibit appeals. Such fees will make important public services completely inaccessible to Ontarians with modest or low incomes.

It goes beyond user fees. Direct taxes could include increased income taxes and even a poll tax. The poll tax is a flat tax. Everyone pays the same amount regardless of their income or property value. Municipal poll taxes have not been seen in Canada for over a century. There's a reason for that. Poll taxes are unfair.

Public services should be universal and accessible. User fees and other charges place barriers between services and the most disadvantaged in our communities. The quality of life within a community will suffer and the disparity of services across Ontario communities will grow even deeper.

No one can calculate how much Ontarians will pay in new charges, user fees and increased local taxes. These costs will be determined in part by the provincial regulations that have not yet been revealed and by the decisions of municipal governments and local boards. This is a great cause for concern. Bill 26 is a green light for municipal politicians who, like Mel Lastman, intend to slap fees "on just about everything that moves."

CUPE is very concerned about privatization, about contracting out and about user fees. CUPE is also very concerned about the anti-labour parts of this bill.

We are strongly opposed to amendments proposed in Bill 26 to the interest arbitration process. It will affect employees of hospitals, the public service and school boards, most of them workers who do not have the right to strike.

The proposed legislation forces arbitrators to look at specific criteria when making a contract decision. It will

result in collective agreements that are skewed in favour of employers. This violates the common acceptance among arbitrators and labour relations experts that arbitration boards must be independent of pressures or guidelines that could skew their judgement in favour of one party or the other.

It is up to the board of arbitration to independently weigh the evidence presented by the union and the employer and come to a decision. Under Bill 26, arbitrators would have to consider the employer's ability to pay, funding levels, the economic situation in Ontario and the employer's need for qualified employees.

CUPE strongly objects to the ability-to-pay stipulation. Funding in the public sector is determined by government spending decisions. With "ability to pay," interest arbitration, although ostensibly intact, would in reality be directed by the unilateral decisions of government. As arbitrator Harry Arthurs wrote in 1965, the consideration of ability to pay would make the interest arbitration process a sham. An ability-to-pay criterion also leaves the door open to employers to unilaterally budget for wage freezes or reductions.

Workers would be trapped in a catch-22 situation. What they could negotiate would be determined before they ever got to the bargaining table.

Labour fought long and hard for pay equity. Let us examine what this bill does to it.

It will eliminate the proxy method of job comparison. This method was introduced to accomplish pay equity for women workers in the broader public sector. They were denied pay equity because they had no male job classes in their workplaces. Most of these women work in day care centres, nursing homes, children's aid societies and women's shelters. These are experienced, dedicated workers. For years, they have been underpaid. It's interesting that the proxy provisions will still apply to the private sector. Pay equity is not a privilege; it is a right. It is an attempt to end pay discrimination. Hundreds of CUPE locals negotiated plans that promised to yield 20% to 50% pay increases to underpaid women. These increases will be reduced to 3%.

Bill 26 is bad news for the people of Ontario if it passes into law. Public services, programs and Ontario's infrastructure will be dismantled. Democratic institutions and standards will be destroyed. The people of Ontario will suffer irreversible harm. It is not democratic. It is not fair. It turns a blind eye to the traditions, the values and the institutions of our province. The Canadian Union of Public Employees calls for the scrapping of this bill.

The Chair: We have a little less than four minutes per caucus. We'll start with the opposition caucus.

Mr Gerretsen: How many members within your union are within the municipal sector, sir?

Mr Ryan: When you say "municipal sector," do you mean social services as well as inside workers, outside workers?

Mr Gerretsen: Yes, right.

Mr Ryan: Would you include school boards?

Mr Gerretsen: Sure.

Mr Ryan: I would think about 100,000.

Mr Gerretsen: About 100,000. Were you consulted in any way at all about any aspects of this bill by the government? Were there any consultations with CUPE?

Mr Ryan: None whatsoever. We never as much as received a phone call. We have spent a lot of time trying to get through to this government since it got elected last June. We've written letters. Jim, our legislative assistant, has made numerous phone calls, left numerous messages, written numerous letters, all to no avail, not a peep from this government.

Mr Gerretsen: To a number of different ministers, I take it, not just to either Municipal Affairs or Health?

Mr Ryan: Right across the entire spectrum. We've written to practically every ministry and asked for assistance. The one meeting that labour has had with any level of government was in the early days when the Ontario Federation of Labour had a meeting with Elizabeth Witmer on Bill 40, and of course she knew nothing about it. She could only recite back to us the mantra of the Common Sense Revolution. She had no clue about what Bill 40 covered, what it intended to cover. She was technically unable to answer any of our questions. The meeting was just a farce.

Mr Gerretsen: We all know we've had a $10-billion deficit in this province over the last number of years. The position that the government has basically taken is that it needs to take $8 billion out of the system in order to balance the deficit, but also to give a $5-billion tax cut. Let me ask you this: If it were put to your membership whether or not they'd prefer to have a tax cut or prefer to have the deficit reduction go at a slower, more rational pace, which would they prefer? Have you taken any surveys about that within your membership at any level?

Mr Ryan: There's no question. CUPE understands that we've got a deficit and we've got a debt and we have to deal with the deficit. Where we differ with the government, of course, is in how we reach that goal of a zero deficit. Clearly, we're saying that if you're selling us a bill of goods that tells us we have a significant problem with the deficit, some of our members can buy into that, but we cannot buy into it when you tell us at the same time that you're going to take $5 billion out of the economy and give it to the richest people in the province, because that seems to undermine the entire argument of reducing the deficit.

There's a debate, interestingly enough, taking place in the United States. We all know that Bill Clinton is no raving socialist but at least they're arguing down in the United States, "Should we be reducing the deficit in seven years or nine years?" What they're really saying is, "Let's take a longer-term view of deficit financing and let's gradually reduce the deficit."

I believe the NDP was on the right track when it was looking at reducing the deficit over a much longer period of time. Of course, at the same time you don't have the rupture to the public services that we've got right now with the current three- or four-year fiscal plan that the Tories are trying to follow.

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Mr Silipo: Like several other organizations that have been before us, Mr Ryan, you highlighted a number of the major flaws in this Legislation, starting from problems within the bill that probably, we hope at the very least, are the result of some very hurried drafting that maybe the government will have the courage to come forward and correct, at least those, to then a number of significant shifts that take place, as you highlighted, that shift powers into the hands of a few people and give the municipalities ability to pay, privatize and certainly look at reducing the wages of workers throughout the system.

Part of the problem we are having is convincing the government that it is wiser to take a course of action that says, "Let's take a look at this more carefully." I want to focus in on one area and then leave it up to you to comment on that or on any of the other points that I've made.

The proxy pay equity provisions which you mentioned and which we haven't, in my view, talked enough about so far in these hearings, as you point out, came about because we saw the need to ensure that the lowest paid women in the province also received the benefits of pay equity, and as a result of many discussions, and I know CUPE was involved in those, we managed to put together a scheme.

You'd be interested in knowing, I'm sure, that the only thing we've heard from the government so far on this was two lines in the minister's presentation the other day saying, "We're returning the system to what it was supposed to be," completely obliterating the fact that here we have 100,000 women, among the lowest paid women in the province, who are no longer going to benefit from the need for pay equity as of January 1, 1997.

Mr Ryan: I think this is just the Tory government's way of transferring the child care programs that we have in this province. We all know that child care workers were one of the most underpaid groups of professionals in the province and they have a pay equity increase coming to them as a result of the proxy method of evaluating their jobs.

If you take away pay equity for child care workers in the province, you will essentially have killed those programs because the workers will not be prepared to work for $10,000, $12,000, $13,000 per year, and I can understand that. Most of them are post-secondary educated, most of them carry university degrees and they're not prepared to work for $10,000, $12,000, $13,000 per year. The government recognized that. Previous governments, the Liberals and the NDP, both recognized that you've got to pay these people according to their skills and of course the valuable service they're providing. This is just one way, I think, of killing the child care program, the not-for-profit.

Just on that, we've also got nursing home workers and people who work in children's aid societies and we have managed to bring in 100,000 women who have been grossly underpaid in the province. We sat down with the previous government and the employer associations. This wasn't just the government and the unions. The employer associations themselves recognized that this had to be done and they negotiated a long-term plan that over a number of years would, in a significant way, raise the wages of these underpaid women. This was a typical win-win situation where both government, employers and employees got together and worked out an arrangement and the government comes in with this bill and trashes it. It's an absolute disgrace.

Mr Tascona: Mr Ryan, thank you for your presentation. There are a couple of areas I'd like to address though in terms of clarification on our part to you.

Page 19, dealing with the municipalities' power with respect to school boards, that provision, if you read it again, under subsection 210.4(4), it clearly provides that a municipality doesn't have the power to make any changes unless it's dictated by regulation and nothing has been made—any changes in that area at this point in time. So there is no power at this time dealing with school boards. I'd just like to point that out to you, if you want to read that.

The other area I wanted to deal with is in terms of a clarification. It deals with page 25 of your brief in terms of denying women the right to complain on proxy. It clearly provides in the legislation that they can make complaints—and I'd like to assure you of that—any time up to the end of 1996. Certainly if there is any anticipation there would be a problem, they can put a complaint in and we understand those complaints will be dealt with.

I'd like to say with respect to your arguments with respect to ability to pay, certainly that has been an area of contention. We're hearing views on both sides, but other jurisdictions, other provinces have criteria with respect to arbitrability.

I'd like to ask you, at a time when the provincial government faces a critical deficit situation and transfer payments for its partners are being reduced, how can it not make sense for arbitrators to be given requirements to consider ability to pay and mandatory criteria?

Mr Ryan: You made a couple of comments. On school boards, I don't know if you meant to draw any consolation from the fact that you haven't yet given yourself the power to include school boards. Clearly, the way the piece of legislation is written, you fully intend to exercise those powers over school boards; it's already in the Municipal Act. If you're telling me now that you're not going to exercise that power over school boards and you're going to delete that from the legislation, that's fine, but given your track record to date—

Mr Tascona: What I'm saying, Mr Ryan—

Mr Ryan: Excuse me a second. You've had your opportunity to speak; let me respond, please. Your Common Sense Revolution didn't tell us you'd be attacking the poor and disabled of this province but yet you went ahead and did it. You'd didn't tell us you'd be ripping off the private sector in terms of selling it off to your partners and selling it off to your friends—

Mr Tascona: Mr Ryan, you're not responding to my question. I gave you a question on ability to pay. Why don't you respond to that?

Mr Ryan: You asked me two or three questions. The other one was on the proxy—

Mr Tascona: I just clarified two areas to assist you.

Mr Ryan: I'll touch upon proxy, if I could, for a second. There are 100,000 women in this province who are going to have their pay equity increases eliminated, and you're now telling me today that they have the ability to complain; that's in the act. Why don't you just turn around and eliminate that whole section and leave the 100,000 women alone who have gone out, and through a negotiated process with their employers, the government and their union, sat down and come to an agreement to pay the most underprivileged, underpaid women in this province—we gave them an increase and brought their wages somewhat into line with those in the private sector—

Mr Tascona: But your point, Mr Ryan, is that they didn't have the right to complain. I'm saying they do have the right to complain.

Mr Ryan: Big deal. So they have the right to complain; you take away their pay equity increases and they can complain about it.

Mr Tascona: Certainly the proxy comparison method: You would agree that it's not in any other province; it also doesn't apply to the private sector. All we're doing is bringing it in line with the original principles of pay equity, which is the same establishment. That's all we're doing.

The Chair: I'm sorry, Mr Tascona and Mr Ryan. You've come to the end of your half-hour and we've been pretty strict on time. I'd like to thank you for appearing today before the committee.

ONTARIO HOME BUILDERS' ASSOCIATION

The Chair: I'd like to now call on representatives from the Ontario Home Builders' Association. Welcome, gentlemen, to the standing committee on general government. We appreciate your coming today to make a presentation. You have half an hour to do that. You may want to leave 10 or 15 minutes at the end of your presentation for questions. For the benefit of the committee members and Hansard, I'd appreciate it if you'd take the time to introduce yourselves.

Mr Tom Stricker: Good afternoon. My name is Tom Stricker. I'm president of the Greater Toronto Home Builders' Association. Unfortunately, in the brief we've got Ward Campbell, immediate past president of Ontario Home Builders' Association. He couldn't make it; he got tied up in a meeting. With me instead I have Andrew Manahan, who's director of industrial relations for Ontario Home Builders' Association.

The Ontario Home Builders' Association represents approximately 3,500 member companies which are organized into 35 local associations across Ontario. Greater Toronto Home Builders' Association is the largest local association with over 800 members. Our members produce over 80% of the province's new housing.

OHBA supports the many initiatives taken by the government to reduce Ontario's deficit. We wholeheartedly agree with the Premier that we'll look back five years from now—or 10—with a booming and prosperous Ontario, known around the world as the number one jurisdiction to create jobs and invest and live in and play in and grow in and educate your children in. Our support for the government is based on a recent members' survey, which you may have seen in the weekend press: 80% of those surveyed rated the government's performance as excellent or good.

We wish to focus on only one aspect of Bill 26 which will have a potential impact on the residential construction industry—I might amend that; it'll probably affect the construction industry—namely, amendments to the Municipal Act with regard to powers being given to municipalities and local boards to impose fees or charges for any services or activities provided by them.

Ontario's housing industry has had a terrible year, with a 43-year low in terms of housing starts. There will be approximately 35,000 housing starts this year, which is dismal even when compared with the level during the recession experienced in the first half of the 1990s. We have attached a table on total starts, 1987-94.

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The Minister of Municipal Affairs and Housing, Al Leach, understands that the residential construction industry is overregulated and overtaxed. Last month's announcement by the minister with regard to the Planning Act reform and the proposed restriction of development charges to support hard municipal services is supported by our industry.

We are concerned, however, that Bill 26 has the potential of allowing municipalities to undermine these reforms somewhat by permitting fees and other charges to go up. This would be counterproductive to our industry.

A recent report prepared for the ministry on encouraging investment in new rental housing stated that municipal fees can typically total $2,500 to $3,000 per unit for new housing developments. Let me make that clear. Those are permit fees and so on; those are not development charges and other things. These fees include planning application process fees, building permit fees and charges for sewer hookups. In addition, there are a range of fees, depending on the municipality, for engineering, water metering, plumbing and hydro inspections, as well as parkland dedication. The cumulative cost of these fees and charges is considerable and, unfortunately, these costs have the potential to increase depending on the response of the municipalities to the new municipal supports grants process.

Builders understand the need to have fees for services which are provided by municipalities. In order to cover the expenses for building inspections and reviewing planning applications, builders pay permit fees. This is perfectly acceptable as long as there's no duplication in the charges from both regional and local municipalities for similar services.

During high growth years, municipalities have generated surpluses from these types of fees compared to the costs incurred for these services.

How many times have we heard municipal politicians proudly exclaim that they have kept property taxes at the same level for X amount of years while maintaining the

same level of service? No doubt, some of the tax flat-lining has been achieved through greater operational efficiency. However, there have been interdepartmental transfers from building departments to transportation, social and other departments which have helped mitigate the costs of running these services that are of benefit to the general taxpayer.

A principle which we would like municipalities to adhere to is that revenues derived from new subdivisions and communities should not subsidize the services received by the general taxpayer.

In respect to user fees, municipalities have a number of revenue sources at their disposal such as property taxes, user fees and development charges. All levels of government must operate more cost-effectively and the appropriate mix of revenue sources must be determined during the restructuring process. For a number of municipally provided services we believe that user fees will play a more prominent role in municipal financing. In some cases, user fees could be used to fund the entire service while for other service categories a mix of property taxes and user fees might be appropriate.

OHBA views user fees as being critical for a number of reasons: to apportion costs fairly for municipal service provision; to demonstrate to users that there is a cost for services which governments provide; to recover costs for services provided and, for a range of municipal services, we advocate full-cost recovery; to instil a conservation ethic for services such as water supply; to lessen the reliance on property taxes for municipal service provision; and finally, to help balance the provincial budget by decreasing transfers to municipal government, where appropriate. We are hopeful that these spending cuts will result in economies being achieved throughout the system.

OHBA has no qualms with municipalities looking for innovative sources of funding as long as the fees and charges imposed are fair and just.

A newspaper columnist for the Toronto Star believes that "some local mayors...will start salivating over the new charges they can levy." Unfortunately, we predict that a number of municipalities will unjustly target the building industry to replenish the revenues which have been lost through provincial-municipal transfers rather than fairly charging users for certain services.

We'll give you the example of development charges. Many municipalities increased their development charges dramatically following passage of the Development Charges Act, 1989, two governments ago. This legislation allowed municipalities to impose charges for soft services such as recreational facilities, cultural, police, fire and social services, as well as the hard services, road, water and sewer, which were already charged for under the former lot levy system. Obviously, this dramatically increased the level of development charges imposed on a per-unit basis. For example, in Nepean, levies amounted to $9,105 in 1989 and are now $18,515 for regional and local charges. Over the same period, total development charges increased from $5,455 to $13,546 in Ajax. These figures exclude education development charges.

One of the reasons municipalities relied on development charges so strongly for revenue was to make up for the shortfall of previous provincial cutbacks in the late 1980s and early 1990s without having to raise property taxes. As new home buyers were more able to pay increases in house prices in the late 1980s, the development charges were easily passed on. Demand was more elastic, as the economists said. In addition, there was a view within municipal circles that because development charges were not visible to the new home-buying public, ie, they are paid by a builder at the building permit stage, there would be no public protests.

Price sensitivity is the watchword of the 1990s for our new home buyers, and average new home prices have dropped in the majority of municipalities. In fact, greater efficiencies, product design, technological changes and lower land costs have enabled builders to reduce prices on new houses despite cost pressures in other areas.

It is obvious to everyone now that the tremendous growth which occurred in the late 1980s was an aberration which could not be sustained forever. Growth and capital forecasts which were made as part of the development charge bylaw process were often overly optimistic and many municipal governments now recognize this. Furthermore, development charges unduly penalize new growth by attributing a high proportion of the costs on to new development even though existing residents benefit from the additional services. Surveys done by OHBA show that a number of municipalities have reduced the development charge quantum accordingly, although most have continued to increase these charges by an inflationary amount each year.

Those municipalities that have reduced charges recognize that there has been lower demand for new housing in the past few years than was expected during this prolonged recession and that a reduction in development charges would be a positive way to encourage new construction. There is also likely a recognition that the benefits of new communities in terms of social benefits, economic growth and the long-term expansion of the tax base far outweigh the short-term infusion of funds through development charges.

Announcements made by the Minister of Municipal Affairs and Housing concerning a fundamental reform of development charges will have an impact on certain municipalities. OHBA is concerned that reductions in development charges which are achieved through a more restrictive framework will be offset by municipalities through increases in other charges imposed on the industry.

We have given you some recommendations. We could go on at great length about these topics, but in the interest of allowing the committee members an opportunity to ask questions, we'll sum up with these five recommendations.

The government should impose a cap based on the rate of inflation for any existing user fees on new growth. If charges or fees are increased beyond this rate, a cost-benefit analysis should be conducted by the municipality to show that the increase is justifiable. In addition, we are very concerned that new fees or charges will be imposed against the development and building industry and would urge the provincial government to place restrictions on

the creation of new charges and/or fees against new growth.

Public meetings must be held by the municipality prior to the imposition or modification of any fees or charges so that the decision-making process is made transparent and public. Those who will be impacted by the service charge policies must be given the opportunity to provide input into these policies.

Provision must be made in Bill 26 for an application to be made to the Ontario Municipal Board that the fees or charges are unfair or unjust. To limit this ability would provide unwarranted powers to the municipality to impose whatever it wanted despite the clauses in the bill referring to the regulatory overriding powers of the minister. We believe that these ministerial powers will be used primarily in situations where new, uncharted waters are being tested by a municipality.

That provision be made in the bill that municipalities not be able to hold up development applications for reasons related to a dispute over charges or fees. Your Planning Act is presently I think being amended and I believe that condition will be satisfied if it's approved, but we're asking for that in the interim.

Potential reductions in development charges which are achieved through a more restrictive development charge framework should not be allowed to be offset by increases in other costs.

So, there you go, and we're available for questions.

The Chair: Thank you very much. We've got six minutes per caucus and we'll start off with Mr Silipo.

Mr Silipo: Thank you very much. I appreciated very much the presentation. A couple of questions. First, I just want to be clear. Your brief starts by saying that you support the government's action, but then when you focus in on the bill you're clearly telling us that you have a number of problems with this.

Mr Stricker: That's correct.

Mr Silipo: You haven't commented on other sections of the bill, and I just want to make sure we don't take a wrong message from that. Is it because you don't have a position?

Mr Stricker: We don't have a position.

Mr Silipo: You don't have a position. So the piece that you are concerned with, you have a number of serious concerns that you've highlighted for us.

I just want to ask whether you or your organization was in any way consulted by the government prior to the introduction of the legislation.

Mr Stricker: No.

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Mr Silipo: You appreciate the fact that had it not been for these hearings, we wouldn't be able to hear your concerns and hopefully address them as we go through the process.

Mr Stricker: We were intending on writing this in to the Minister of Municipal Affairs, and these committee meetings made it appropriate we come down here.

Mr Silipo: You understand that if the government had had its way, the bill would have been approved by last week.

You have a number of suggestions that you make. Again, I just want to make sure I'm not incorrectly categorizing, but to just work back from a couple of them, you're saying under your recommendation 3 that we should leave in the present legislation, the present law, the right for an application to be made to the Ontario Municipal Board. Your basic point is, yes, there should be fees or charges, but the municipality needs to continue to demonstrate that those are fair and just rather than have an unfettered right to charge what it wishes.

Mr Stricker: Well, we're required to draw a building permit now. That's an OBC requirement. We have to deal with the municipality on that. We'd like to make sure the building permit fee is reasonable.

Mr Silipo: Have you had any discussions with, I guess in your case it would be the Ministry of Municipal Affairs, around any of your concerns since the bill was introduced?

Mr Stricker: No. I think this will be the first they've heard of this one.

Mr Silipo: Let's hope the government members are paying attention and listening to this, because certainly I find that there are a number of points you're making here that are worthwhile us considering and taking into account. I'll leave it at that, Mr Chair.

Mr Sampson: Just before I go on, I want to clarify a point that in fact there was a letter that was sent by the Deputy Premier and government House leader to the leaders of the opposition that indicated we were prepared to work to the end of this week to pass this legislation. I guess they continue to forget that one.

I want to focus on a couple of things. Actually, I thought I had known the numbers, but I'm quite shocked at the decline in housing starts since 1987 and 1994 you've displayed here.

Mr Stricker: So are we.

Mr Sampson: I bet you are. I'm wondering whether this indicates to you any sense of urgency to deal with the fiscal matters that are facing this province.

Mr Stricker: That would be appreciated. Consumer confidence is at its lowest ebb. Everybody's touched by what you're doing here, what they're doing at the federal level, and the quicker it is expedited, the quicker we see our housing starts picking up in the future.

Mr Sampson: So if we were to delay this, for instance, for a year or so, what would be the net impact in your view on your particular industry?

Mr Stricker: A continued consumer confidence problem. You're touching people's jobs and lives right now, and the quicker it's dealt with—they know where they're going in the future—the quicker everybody can recover and get back to being the best province in the world.

Mr Sampson: So there's a significant level of urgency, in your view, for us to proceed with the agenda items here?

Mr Stricker: Yes.

Mr Sampson: We've had some comment that perhaps we're going to be not encouraging a solution but causing

a problem by providing a tax cut to hard-working Ontarians. What's the net effect of a tax cut on your particular industry and how will that impact the members of your association?

Mr Stricker: Actually, I've asked my accountant what it means to a guy who gets a $50,000-a-year salary, and it's $1,000 a year into his pocket. So that's what it is.

Mr Sampson: Is that likely to stimulate demand for new housing units? What'll be the impact upon your particular industry?

Mr Stricker: I presume the hard-working guy will benefit. I don't see that $1,000 making a difference on a fellow buying a house, but it'll go a long way to mortgage payments or other priorities in his life.

Mr Hardeman: Your brief supports user fees or the general pay-for-service principle. Your concern seems to hinge around whether in fact the municipalities would be fair about that distribution, whether it should be to new building or whether it should be to the existing tax base.

Mr Stricker: There are some pretty big surpluses out there in building. I don't know how many of you sat on municipal councils, but there is—

Mr Hardeman: If I could go on, I find it interesting, you also mentioned the issue of the development charges; in fact, how much they increased since the introduction by the previous government of development charges. Prior to the development charges bylaws, there was in fact no regulation, it was just the municipalities could charge what they thought was appropriate. It was then legislated and the local autonomy was taken away or was dictated by the province, and in fact you've seen the dramatic increase in development charges because in fact they could follow the provincial rules and they could charge far more. Do you relate that to the fact that that's what caused them to go more? Because it was under provincial legislation, they could blame another tier of government for the amount they were charging?

Mr Stricker: I'll leave that to Andy.

Mr Andrew Manahan: Essentially, I think there were a couple of problems with the development charges framework. One was that it allowed for soft services to be covered, and we did list a few of those areas in the brief. The other was that the legislation was supposed to bring in greater accountability and in our view it didn't really do that, so I wouldn't blame a previous government so much. I think the intent was there to try to make the fundamental legislation more accountable but it just didn't happen.

Mr Hardeman: If I could carry on with that, prior to the legislation, was there anything that prohibited municipalities from charging as much for development charges as there was subsequent to the development charges bylaws?

Mr Stricker: Just the OMB. You could go and challenge those charges at the OMB, but nobody wanted to do that.

The Chair: We'll turn to the opposition.

Mr Gerretsen: Let me first of all say that I'm a great supporter of the Kingston Home Builders, having been an associate member for the last 20 years, because I certainly believe that home building is one of the prime things that gets the economy going.

I don't think you should be under any false illusions, however, because in the compendium, which is the government's own document, it states that this legislative amendment will generally provide unlimited flexibility, thereby overriding all existing limitations on user fees, and the proposed amendments confer significant discretionary powers to council. So I'm not sure whether you can rely on sort of regulatory matters, and even if it were just done by regulation, you could have some real problems.

It's also very interesting to note that according to your own figures that you've provided here, there were 46,000 starts in housing in 1994, and according to the government's own document, they only estimate next year 42,500 housing starts, so there's some discrepancy there. Furthermore, Hazel McCallion was here yesterday and she feels that she wants the government to pass this as quickly as possible because she feels that gas taxes and sales taxes and other things, a head tax, may even be possible. So there are differences of opinion as to what exactly this provides.

What I would like to come at, though, is this, I've just got a report here from Kingston that says that as a result of these cutbacks, $83 million will be lost to the Kingston area, in the wider public service area expenditures, over the next three years. This is equal to losing 1,844 jobs that pay $45,000 a year. Queen's University stands to lose $19 million, St Lawrence College $6 million, the three school boards $10 million, six local governments $8 million, the four hospitals $40 million.

In light of all that information and the fact that there are about 100,000 in the greater Kingston area and we're going to lose 1,844 jobs in that area, what do you think this is going to do to the home building industry there, especially when, according to your own calculations, it's dropped from something like 1,600 housing starts in 1990 to only 498 starts in 1994? Isn't that going to have dramatic effect in a local area like that, because we're taking the deficit down as quickly as we are? What's your comment to that and what would you tell the Kingston Home Builders, with almost 2,000 jobs being lost?

Mr Stricker: We're all in the same boat proportionately. I don't see any disparities, everybody's down percentages pretty well the same in their areas within Ontario.

We're not happy with the housing starts as they are now. There must be a better answer and I guess if this deficit gets brought down we believe strongly that the economy will kick in and people will begin to buy houses again. It's not going to happen next year, but it's going to happen in time.

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Mr Gerretsen: Are you people in favour of the $5-billion tax cut which will be paid out of the $8-billion cut in expenditures? Are you people happy with that, so that in effect you'll only have a $3 billion lowering of the deficit of $10 billion?

Mr Manahan: We haven't surveyed our membership on that specific question, so I can't really give you an answer.

Mr Gerretsen: It's our view that if there wasn't this crazy tax cut notion out there, the deficit could be taken down over a much slower period of time so that communities can adjust and can absorb the job losses that we're talking about here. Do you have any comments on that?

Mr Stricker: Well, I've been around and spoken to about six mayors in the last couple of weeks around the area—I won't name them; one of them you already did today—and that's why we're here today asking.

Mr Gerretsen: And the mayors said what?

Mr Stricker: We're concerned our building permit fees and other fees will go up. That's an obvious target. If I'm sitting on a municipal council, you have two places to go. You go to the revenue side or you go to the expenditure side, and we're an easy guy to hit for the revenue side.

Mr Gerretsen: Especially in light of the fact that the minister, over the last three months, has said repeatedly that we're cutting the grants but we're going to give municipalities autonomy, as much autonomy as they want, basically. You can expect to see municipal councils react to this in different ways to make up the revenue shortfall, and you're concerned about that.

Mr Stricker: Yes.

Mr Manahan: That's why we're here.

Mr Crozier: I want to go back to development charges because you expressed concern about them, and you said that the soft services-hard services that you mentioned were already charged for under the former lot levy system. I want you to help me clarify something. The lot levy formula that municipalities use has to be revised periodically.

Mr Stricker: Every five years, presumably.

Mr Crozier: Right. So they have to justify those lot levies, although you said you didn't challenge them but—

Mr Stricker: No, that was previous when they didn't have them. They never justified anything; you negotiated everything. The new system, every five years they're supposed to—supposed to, and they don't in a lot of cases—come through with an audited statement showing where they spent the money and so on. It's just not happening. We're house builders, not bean counters; we don't want to be in the accounting business.

Mr Crozier: Well, if you aren't a bean counter these days you're not going to be in any business very long.

Mr Stricker: That's true.

Mr Crozier: My concern is that you seem not to like these lot levies and yet don't you think that if a developer opens a new subdivision and there are quality of life facilities in the town, they should contribute to those whether they're there or not, or whether they're planning in the future?

Mr Stricker: We're just dealing with that now; yes. Some people are taking a hard line—water, sewer, roads only. I'm taking more of a softer approach—police, fire, ambulance. Those things are certainly required. Maybe a theatre is required within an area, but give the developer an opportunity to discuss it, don't just charge him $500 a house for the honour of doing it. Many of these public facilities, they have budgeted $3 million and they spend $6 million. There has to be accountability, and it's not happening right now.

Mr Crozier: I haven't run into experiences like that either, but—

Mr Stricker: Well, we have.

The Chair: Thank you very much. I appreciate you taking the time to appear before the committee today.

Mr Phillips: Give them until 4:30.

The Chair: No. Mr Silipo passed on four minutes.

Mr Gerretsen: Didn't he give that time to us?

The Chair: No. We've agreed to divide it up and if your time isn't used to its fullest extent, then that's gone. It's my bank time for moving things along quickly, and so on and so forth. Thank you.

Mr Silipo: I'll make sure I use it from now on.

ASSOCIATION OF CONSERVATION AUTHORITIES OF ONTARIO

The Chair: Representatives from the association of conservation authorities, come forward, please. Good afternoon, gentlemen, and thank you for appearing before the standing committee on general government today. You have 30 minutes to make a presentation. You can use that time as you see fit. You may decide to leave some time left over at the end of your presentation to entertain the responses and questions from the three caucuses. I would appreciate it if you could introduce yourselves and your organization for the benefit of the committee and Hansard.

Mr Bob Gray: My name is Bob Gray. I'm the vice-chair of the Association of Conservation Authorities of Ontario. I'm chair of the North Bay-Mattawa Conservation Authority. With me is Gerry Houston, who is the chair of the Association of Conservation Authorities of Ontario. To his right is our general factotum, the GM, Jim Anderson, long and now an expatriate of the MNR.

We have in front of you a short brief, four pages of essentially preamble. The fifth page addresses the specific concerns, recommendations and discussions we had with respect to the legislation proposed before you. The last two pages, which we will get to before the end of this presentation, are in summary of those recommendations.

We're pleased to appear today to speak with you regarding our observations and our concerns respecting the so-called omnibus bill recommendations.

Conservation authorities are on record for a considerable length of time as—and with preceding governments—seeking to cooperate with provincial government to recognize economic realities of our times and to achieve efficient and effective resource management and environmental protection.

We have promoted a number of strategies over the past four or five years for the reduction of overlap and duplication, which is essentially the core of this bill in its myriad reaches. Through a succession of blueprint

documents—we have presented them to the previous government, this government and many specific party caucuses. These proposals constituted our famous—or infamous, depending upon your point of view—one-window approach to the delivery of environmental services on private or municipal lands.

The blueprint documents offered real solutions to help bring deficits under control in the area of resource management and environmental protection programs. Within this context, we would like to offer to you some comments to assist in achieving the goals of the proposed legislation and to promote an environmental vision for future generations.

We believe emphatically that the quality-of-life issues need to be considered within the connectivity of the economy and the environment. These have weighed very heavily on the minds of decision-makers for the past few decades but not the least the balancing of these two paradigms rests very heavily on the minds of the average Ontarian. We believe strongly that healthy communities relate directly to healthy environments and we are cautioning that one might be shortsighted to ignore environmental concerns even in perilous economic times, as this creates what we might call a deferred liability which falls on the backs of generation after generation of taxpayers yet to come.

We have stated on many occasions that we believe conservation authorities offer a framework within which municipalities can make collective resource management decisions on a watershed-connected basis. We believe strongly that in many cases they're the only extant logical basis upon which to make these decisions.

Quoting David Crombie, "Everything is connected to everything else"—a maxim understood well before recorded time by generations lost to history.

The proposed legislative amendments suggested by Bill 26 provide provincial support for only the structural approach to flood control within the mandate of the CAs, and we are hoping that at some point this policy decision might be reconsidered and perhaps re-emphasized, as experience shows we need to be concerned with more than simply flood control.

1630

Several sections of the proposed legislation under proposed Bill 26 affect authorities directly, and others do so indirectly. Authorities are established, as you all know, under the Conservation Authorities Act of Ontario through the legislative framework of the provincial government and consensus decisions of member municipal partners.

Under this legislation authorities have a broad mandate associated with the conservation, restoration or rehabilitation, development and management of natural resources other than gas, oil, coal and minerals. There are 38 authorities across the province which have been established on the basis of watershed planning units.

The provincial government has, in its economic statement, redefined the provincial interest and spending priorities associated with the mandate by restricting their commitments to the maintenance and operation of flood control structures and their assets and the provision of municipal taxes on properties owned by CAs which are deemed to be of provincial significance.

We continue to believe that there is a strong need for provincial support to deal with the natural resources on an intermunicipal basis and that then embraces watershed planning and decision-making.

We further acknowledge the intention of the bill to afford member municipalities greater flexibility and control in redefining their interests through the enunciation of municipal spending priorities at the local level. We respectfully suggest there is a need to provide a supermunicipal framework within which fiscal and policy direction can be set on an intermunicipal watershed impact basis.

The majority of conservation authority members agree with the intent and aim of Bill 26, to streamline the operations of government. However, the bill as it is before you falls short in some places of reaching that goal and, in our view, may even produce counter-productive effects.

For instance, the present contents will achieve further duplications and redundancies in the administration of CA programs from the provincial perspective. Where previously there was one system for levying member municipalities under the previous legislation, Bill 26 may embrace a second layer and process which duplicates the administration cost structures again. The nature and character of that must await the regulation of the minister.

Some inconsistencies also exist in the proposed legislation before you. For example, the withdrawal of the province's ability to appoint members to the conservation authority boards while still retaining the ability of the Lieutenant Governor in Council to appoint the conservation authority chair and a member to the executive committee is clearly very counterproductive. We have some recommendations on that, but this is just one crystal example.

Today we're providing for your consideration further details of these examples and others, as well as our proposals for improvements. The information will, I think, provide you with the tools to make the proposed legislation more workable and to do so in a way that improves the opportunities for healthy watersheds across the province. We believe very clearly that our recommendations enhance the purpose and goal of Bill 26 rather than contradict it.

Our recommendations will allow conservation authorities and their local municipal partners to determine our fiscal priorities alongside and consistent with those set forward by policy at the provincial level.

Above all else, we believe the province must retain a commitment to environmental protection and should utilize the really only effective organizational tool it has right now, conservation authorities, to help provide that protection while allowing for responsible community social and economic development.

If you would turn to page 5 in the brief we presented to you, you will see that we have addressed specific

subsections and schedules of the proposed legislation. These are then summarized on the last two pages of that brief in highlight form.

What we're hoping is that these recommendations, being as specific as they are, might generate some question or some request for more details from the members. If you like, what we will do is simply highlight them and then field the voluminous questioning that will follow, I'm sure.

If you turn to the summary, looking at the Municipal Act, section 83, the recommendation that you see before you and the explanation for that on page 5, it speaks to the issue of duplication.

Under the Municipal Act, section 207, the need for flood control operations to be carried out in a manner consistent with the watershed context, and the explanation on that page.

Respecting the Municipal Act, subsection 210(4): Include a clear definition of the term "local board."

Under the Municipal Act, section 220: The legislated ability to charge fees should be included in the amendments to the CA act for the sake of clarity and removal of overlap of provincial control.

Amendments to the Ontario Municipal Grant Support Act not apply to CAs as this creates duplication with the requirements of the Conservation Authorities Act.

With respect to the CA act itself, our first recommendation: Amendments to section 21 be revised to reflect that the process of dissolution of a conservation authority requires the same municipal support as the formation of a conservation authority; in other words, that there be a mirror process, the same requirements for dissolution as existed for formation. It was our understanding from many discussions with the minister and the PA, who is sitting here, that that was an intention they felt was reasonable.

The second under the Conservation Authorities Act: Amendments to section 21 be revised to provide that a determination of assets, liabilities and responsibilities be made available prior to the meeting convened for the purpose of dissolution.

The third: Amendments to section 21 of the CA act include a formula for the provincial recovery of funds, save and except where all contributing parties agree to reinvest the equity in further land purchases.

Subsection 24(7): We support that amendment.

Section 27: Proposed amendments to the Conservation Authorities Act be amended or altered to provide a mechanism to allow the member municipalities to agree on a majority basis to services and levies other than flood control.

1640

Then the last recommendation: Proposed amendments to the CA act be amended to provide a mechanism for raising funds for disentanglement costs associated with decisions to discontinue funding of CA programs and activities.

Then following are four which deal specifically with powers of the Lieutenant Governor. We recommend that certain powers he now holds, or that person who holds the title now holds, should be withdrawn to be consistent with the intention of Bill 26.

Likewise, the need for OMB approval to pay member salary expenses or allowances should also be withdrawn as a reflection of an archaic, overburdened, top-down system of management government.

That's a brief review, members, of our proposals. You have them in your hands. Your staff have them to so incorporate at your direction. If you wish to deliver questions, we sit before you.

The Chair: Thank you very much. We have about four minutes per caucus. We'll start off with Mr Klees.

Mr Klees: Thank you for your time and your thoughtful presentation. I would like to start off by just asking a couple of questions to put into context what we were trying to achieve in this legislation. Could I ask, what level of government do conservation authorities in this province have the closest working relationship with now?

Mr Gray: With municipal government.

Mr Klees: Given that most of your day-to-day relationships are with the municipal government, does it make sense to you that the province should withdraw and encourage a closer working relationship and give municipalities and conservation authorities more flexibility to create working relationships with each other?

Mr Gray: Absolutely, and it was within that spirit that we made the recommendations that we've made today.

Mr Klees: Would you agree that the legislation, the initiative that we've taken as a government through Bill 26, although it may not be perfect, and we thank you for your submissions, takes a major step in that direction to establish that relationship?

Mr Gray: Clearly. We have no trouble expressing our comprehension of Bill 26 as a method to implement the economic statement. As difficult as that economic statement might have been in terms of the economic disadvantages to us, there's no question that we stand fully in support of the need for it. We want to get on with our business of affirming our municipal partnerships and looking for alternative sources of funding, which, by the way, we're going to be doing through the delivery of developmentally specific fee-for-service. That is the spirit in which we are here today.

Mr Klees: I realize that in the interest of time you couldn't take the committee's time, your time specifically, to talk about all of the things in Bill 26 that you do agree with, and that's probably why it wasn't mentioned. But I think in the interest of clarification, some of the things that Bill 26 clearly does is, for example, provides greater flexibility for determining levy apportionment; eliminates provincial appointments to CA boards; eliminates the need for CAs to seek provincial approval for land dispositions where no provincial grant is involved; includes provisions to assist in the voluntary amalgamation of CAs. These are provisions that were specifically requested by your association to be included in this bill. Is that not true?

Mr Gray: Absolutely.

Mr Klees: So there are some things in the context of what our government is doing that are welcomed by your association. Is that true?

Mr Gray: Clearly.

Mr Klees: This is the first time today that we've heard words like that, and I appreciate your support.

Mr Silipo: Your own special-interest group.

Mr Klees: It's not a special-interest group. The fact is, we didn't prepare this brief for you. You did it on your own, which again may be very different from previously.

Let me also just confirm for you, because you have—

The Chair: You've come to the end of your four minutes. Sorry to interrupt, but we have to be quite strict about time limits.

Mr Klees: Thank you very much.

The Chair: Now we'll move on to members from the opposition party. Mr Phillips.

Mr Phillips: I'm trying to just sort of characterize your recommendation to us. Can I characterize it that the conservation authorities of Ontario are basically quite happy with the provisions in the bill? You don't have any significant reservations about the provision in the bill and you're speaking on behalf, I gather, of the various conservation authorities and your advice to us is: "Don't worry much about this section of the bill, because the conservation authorities are quite pleased with it. Worry about other sections of the bill." Is that how I can characterize your report?

Mr Gray: If you want to want to take a simplistic view of it, sure.

Mr Phillips: The government member just said you're happy with the bill. I think you've indicated you're happy with the bill.

Mr Gray: We have found some aspects of this bill which, in our estimation, have the capacity or the potential to be counterproductive to the issue of creating flexibility and local decision-making on an intermunicipal basis, so we've highlighted those areas which we feel need specific addressing. We haven't attacked, as some of us well could have with our long history in municipal government, the whole Municipal Act. We're only looking at those sections in which there might be some indirect impingement on the relationship with authorities.

Mr Phillips: The reason I raise it is because we now have 1,000 groups that want to address this committee, across the province, with concerns about the bill. We've had chambers of commerce come and say, "We like the bill but," and then they—

Mr Klees: On a point of order, Mr Chairman: I think it's important that this committee deal with facts, and reference has been made to the fact that 1,000 groups have asked. Do you have those numbers?

Mr Phillips: Yes.

Mr Klees: And those are available to this committee?

Mr Phillips: Yes, they are.

The Chair: That's not a point of order. The operations can continue.

Mr Phillips: I'll feel free to interrupt you the next time, when you're wrong.

We've had the board of trade, the chamber of commerce, home builders, even the ones that said, "We support the bill," that then went on to indicate major reservations about the bill, urging us not to pass the bill as it's proposed. I'm just trying to get an idea. You'd be the first group that essentially has told us, in your section, "Don't worry about it."

Mr Gray: Let me say that this is not the first time I've appeared before a parliamentary committee with respect to provisions of omnibus bills. I have a long history in dealing with them, and nobody in their right mind would ever look at any omnibus bill introduced by any government and say that holus-bolus it is a positive piece of work.

It requires a lot of work. You're engaged in committee hearings precisely to shape, modify and redesign where necessary.

We felt our obligation was to speak to the environmental issues that we wanted to place on the table. We felt there were some specific recommendations we could make to the intent of the legislation which we felt would not accomplish the goals expressed with respect to our operations in the environment and we have expressed what we think should be done by way of change.

Mr Gerretsen: So just on part III of schedule M.

Mr Phillips: Are your recommendations that you've given to us major and ones that we should really devote a lot of energy to or are they relatively minor housekeeping things that you want done?

Mr Gray: My feeling and our feeling is that there should be a fair amount of concurrence because these are, I think, on the face fairly simple adjustments to proposals. All we're really stressing here is that these are the kinds of changes we would like to see so that we can get about our job, having received a major cutback in transfer payments, in protecting the environment so that economic development continues harmoniously with that objective, not antagonistically towards it.

1650

The Chair: That's the end of the time for the opposition and included an extra minute for the point of order.

Mr Silipo: Could I just follow up on that? Is there anything in Bill 26 as it relates to conservation authorities that in your view needs to be done now, needs to be adopted now? The reason I ask that is, when I look at a number of the suggestions that you've made of further amendments, some of them, I would agree with you, seem to be pretty straightforward. Others I think might require some further reflection. Is there a rush to get the pieces that are now in the bill done, from your perspective?

Mr Gray: I'm going to ask Jim Anderson to respond to that, Tony, if you don't mind.

Mr Jim Anderson: There are two specific situations that have some urgency to them. Number one is the fact that the levying power of conservation authorities beyond flood control is indeterminate as it stands now. The act suggests that the minister "may" create a regulation, not

"will." This leaves this second layer, municipalities and their local conservation authority, in Never Land.

Mr Silipo: The question of a regulation was actually something I wanted to pursue as well with respect to another point, because I think in one of your recommendations you ask for a clear definition of the term "local board," which a couple of other presenters have asked for for different reasons as well—maybe for the same reason, because I think, as has been pointed out to us, this is another situation where the minister may make regulation providing that a local board is a local board of the municipality specified in the regulation, and so it goes on.

Is your concern here about who defines whether you are or are not a local board? I want to make sure I understand that, because it seems like a pretty straightforward request but I'm not sure if there's more behind it.

Mr Anderson: Quite simply, the definition of "local board," the conditions in which authorities operate will be governed by the Conservation Authorities Act and may or may not be governed to a certain degree by the Municipal Act. What we need is clarification so we know the rules of operation.

Mr Silipo: Your preference is that that clarification happen in legislation, not by regulation?

Mr Anderson: That it happen in legislation, and that legislation be the Conservation Authorities Act.

Mr Silipo: Do I have more time, Mr Chair?

The Chair: Yes, you still have about two minutes.

Mr Silipo: Oh, great. In your brief you talk about the three basic principles of local involvement, senior government support through cost-sharing and watershed management, as things that have been practised for almost 50 years by conservation authorities. Then you use some interesting language to talk about the provincial government, through the economic statement, having redefined the provincial interest. I take that to mean the reference to the cuts in funding. Can you tell us a little bit about what that means in terms of the future of conservation authorities and your ability to continue doing the work that you've been doing?

Mr Gray: The economic statement clearly indicated that transfers from the provincial government would be directed towards two purposes: flood control and its assets, and to the maintenance of the tax base on provincially significant lands. That leaves then in a void a number of other practices that the authorities have been engaged in, with the support of the provincial government, through transfer payments under acts which are the aegis of the provincial government, not the least of which is the requirement for watershed planning and watershed management studies along the paradigm of planning. There's a whole section with respect to water rehabilitation, to stream rehabilitation. These are just a couple of the most obvious ones.

Those now are not the intended targets of the transfer payments. So it leaves watershed partners in this position: If they wish to pursue the benefits of watershed management planning, where a number of parties exist along the riparian, then where will the moneys come from to do that? And the issue is, does the province in fact have a stake in that kind of planning? Well, the present government has set a clear policy direction: It does not have. So that requires of us, then, alternative sources of funding, and that's the business of our whole restructuring. I might just say that this is not a new game for us because, Tony, you're well aware that we've been receiving fairly significant cuts for the last five years under a government you may have some familiarity with.

The Chair: Mr Gray, I'm sorry to interrupt, but that's the conclusion of your half-hour and we've been pretty strict on half-hours. I'd like to thank you for coming today to make your presentation to the committee.

Mr Gray: Thank you for the privilege of so doing.

The Chair: Quickly, before we leave, some housekeeping duties before we recess for dinner. There are the same arrangements for dinner as last night for regular members of the committee.

With regard to compendiums, we had a question regarding that earlier, compendiums are explanatory notes prepared by each ministry for opposition critics under standing order 38(c). These are available for public purview in the legislative library or for viewing in the journals branch. That's ongoing. That's the way it's always been.

Mr Gerretsen: Well, that doesn't make it right.

Mr Silipo: Mr Chair, I'll pursue that and I'll raise it back with the committee if I find it necessary. But I just find it a bit peculiar, given the nature of this bill and the fact that this is not a housekeeping omnibus bill. This is a pretty significant piece of legislation, and therefore many members of the public want to have access to that. That seems to me to be a pretty limited way to do that.

Mr Phillips: What do they have to pay to get a copy?

Mr Gerretsen: Seven hundred bucks.

The Chair: I don't have any cost estimates for that. I'm not even sure, in fact, if they're allowed to check them out of the library and photocopy them themselves somewhere cheaper. They have to be photocopied in there. But I believe this is the way it is with all sets of legislation and it's been that way for quite some time. It may be something you want to address in the future with regard to the standing orders.

Mr Silipo: I think we may. Just before we recess, Mr Chairman, on another point I think Mr Phillips raised earlier, that a number of people have in fact attempted to address or have indicated their interest in addressing the committee: I appreciate that the clerk's office is still working through this, but could we get as soon as possible, even after the dinner break if possible, just a sense—I'm not looking for a precise number—of where we are now with respect to the number of people that have made requests to speak to us either here in Toronto or elsewhere?

The Chair: We are continually updating that and putting it into the computer. I believe that members of each caucus have a list as to where we are now. Subcommittee members should have that chart. So Ms Lankin should have it for your caucus, I believe.

Mr Silipo: All right, okay. But that means that you have it as well, Mr Chair.

The Chair: That'll be continually updated as we go and receive people coming in and asking to appear. It'll continue to be updated for you.

Mr Silipo: Okay.

The Chair: Thank you. We'll recess until 6 pm.

The subcommittee recessed from 1658 to 1800.

CHIEFS OF ONTARIO

The Chair: Can I have a representative from the Chiefs of Ontario come forward, please. Good evening, gentlemen, and thank you for appearing before the standing committee on general government this evening. You have 30 minutes to make a presentation and you can use that 30 minutes as you wish. Most people leave 10 minutes or so for question and answer or response from caucuses afterwards. I'd appreciate it for the benefit of Hansard and the committee members if you'd read your names and your organization into the record.

Chief Gordon Peters: Good evening and thank you very much. My name is Gordon Peters. I'm the Ontario regional chief with the Assembly of First Nations.

Mr Mike Sherry: I'm Mike Sherry, legal counsel for the Chiefs of Ontario.

Chief Peters: Good evening, ladies and gentlemen. Thank you for taking the time to be able to hear some of the concerns that we have as first nations people in regard to the complexity of Bill 26.

In my opinion, first of all, the bill should be unbundled and unravelled and some additional time should be allowed for public consultation. Provisions directly related to the economic statement that are required may be fast-tracked a bit. However, I think there are some really essential independent items tied to the larger agenda that need to be addressed and that need to be given more thought in terms of their application to first nations.

First, I want to describe who we are. There are within this region approximately 132 first nations communities, 22 tribal councils and four major political organizations that deal with a number of issues in relation to our development as a people. Right now I think what we're trying to do most of all at this gathering this evening is to give you an example of where we're at and what we see as some of the possible implications of Bill 26.

At this point we've only had a short time to look at the bill itself and, although I do have parts of a written presentation with me, I will forward the written comments I have to the clerk to make sure that a copy is distributed to people. I don't know if other aboriginal people will be testifying here at the committee as to the impacts of Bill 26, but I want to make sure for the record you do understand that the 132 communities in this region are directly impacted by this particular bill.

I want to address the issue of the relationship that we have. I believe that we did establish a relationship in 1991 with the provincial government and that relationship in part is based on a 1990 Supreme Court decision which requires consultation in regard to duties and responsibilities that are undertaken in relation to aboriginal people within this country. When we talk about the fiduciary duty and the obligation of the crown, we're talking about section 35 of the Constitution Act that's currently there. I think that Sparrow sets out a very clear process of how consultation has to take place.

Based on that understanding from the Supreme Court of what has to happen, in 1991 we signed an agreement with the provincial government which said that we were going to operate on a government-to-government basis. On that government-to-government basis, we believe that there has to be adequate consultation on all the items that are put forward that are going to impact on us. If those items that are going to impact on us are not put forward, we think those particular pieces of legislation are very suspect and we believe some of them may not be legal under the constitutional regime that currently exists within Canada.

I say that because when I look at some of the things that happened to us over the years, we've been involved in many disputes where those issues have arisen. The latest dispute we've had where there was a lot of action around what was potentially possible and whether or not there was sufficient consultation was the gun control legislation that was done federally. The view we put forward at that particular time was that because the consultation was not done in accordance with the Supreme Court and Sparrow, that particular bill was not constitutional.

I would suggest these same things that are being done under these particular circumstances are of the same mind. We understand that we did sign a Statement of Political Relationship with the provincial government and we believe there's a convention, because that agreement has been conducted over the last four years. It has gone on on the basis of a government-to-government relationship, and we believe as part of that government-to-government relationship that that same kind of consultation should have taken place.

I want to address some specifics without trying to address many of the things in the bill, as there are a great many areas that are of concern. I want to make my remarks specific to the land issues. That's under section N of Bill 26, which sets out amendments to the following statutes that are administered by the Minister of Natural Resources: the Forest Fires Prevention Act, the Game and Fish Act, the Lakes and Rivers Improvement Act and the Public Lands Act. As far as I can determine, none of the significant changes to these statutes are necessarily tied to the November 28 economic statement.

Before I talk to you about the proposed changes, I want to talk to you very briefly about first nations positions in relation to land and resources. We've never accepted the provincial view in regard to lands and resources within this region that we're restricted to the small reserves that we're placed on. In fact our people are very adamant in understanding their interpretation of the treaties and their access to the traditional land use areas that they've had, and most of those are protected by the treaties.

It's very clear to say that in dealing with any kind of legislation, our people are very concerned that on anything that alters the situation there must be adequate dialogue with ourselves to understand what's going to happen in those particular areas.

Our people feel very strongly that there's a real spiritual and timeless connection to the lands, and I think that goes without saying. We've said that and we've been saying those kinds of things for a long time. We think that connection with the land that we have will outlast the current governments that have come to occupy our lands. As we look around us right now, we say that the federation of Canada itself is on shaky ground and we believe that unless we deal with these issues that directly connect us to the land and connect with the first nations people, we're going to continue to experience the same kinds of difficulties.

The Forest Fires Prevention Act, which falls under sections 11 and 13 of the act, requires permits for the setting of outdoor fires and entry to restricted zones and requires permits for certain kinds of work in proximity to forests or woodlands. We think the forest fire protection offered by section 15 is very important, because we've had a number of cases in which our communities have suffered because of the kinds of fires accidently started around areas. This past summer in the area of Longlac a fire wiped out a lot of the timber that was of value to them and the operations they want to deal with economically.

1810

I think the requirements of permits under this particular act gave us an opportunity to have our views heard in relation to the land use issues. Now, the removal of these kinds of permits, I guess I would say the removal of the blanket permit, a fact that currently has been in place, will eliminate the ability of first nations to be able to deal with those matters in relation to environmental issues, forest fire protection and those kinds of things that surround our communities. Instead I think we'll have a process where cabinet itself will be able to provide those kinds of permits. I don't know at this time whether there are any appeal mechanisms, but I think that appeal mechanism for those kinds of permits has also been eliminated.

I think when we talk about the lands again, and we talked about the traditional territories of first nations, we see this having a major effect on our communities with that kind of land area that we talk about because we know, in relation to this kind of process, that our communities are exposed to these kinds of forest fires that occur every summer.

The Game and Fish Act was another one that I thought directly affected our communities. The bottom line of the Game and Fish Act is that it deals with the royalties that are collected, the process that gets set up to be able to utilize those moneys for wildlife purposes. While that is being utilized at this particular time, we understand that the amounts of moneys that are being collected now are going to be set aside under a pot of dollars that will be administered directly by the minister or may be transferred to a designated person.

We have a lot of difficulty with that again because it appears that the person designated doesn't necessarily have to be an MNR official, and the moneys that are collected under the act would then have to be spent on the performance of enforcement and other functions under the act.

When we get into the broad area of where this is dealt with, we believe right now that there's more than the $42 million that is collected under this fund, and we think that there's a possibility that this particular pot of money may end up in the hands of people who are certainly not interested in the same kind of relationship and striking a working relationship that we've had in the past.

To be specific, we certainly don't want to see this kind of responsibility given to the hunters and anglers organizations for the day-to-day administration because of the current relationship that we have, which is very inflammatory at this point.

I think the real danger in that kind of move right now is that it will lead to an increased level of resource use conflict. That's something we're always aware of at all times. We're always in a battle for the use of resources between ourselves and the citizens of Ontario and the user groups that are out there trying to utilize the same resource. I think right now, unless there's a mechanism that will provide assurances of the accountability under these particular provisions, what we'll run into is again continued conflict under this particular area. I believe we'll find ourselves in a situation where the end products of this kind of relationship won't be the kinds of things that we need.

The other thing I wanted to touch on was the Lakes and Rivers Improvement Act, under subsection 14(1). Again, these are issues that deal with permits, and most of these kinds of things that we're addressing tonight do deal with permits and the changing of permits, removing the blanket effect of the permits, and again, our ability to be able to contest those areas where lakes and rivers improvements have always had, for the most part, a negative effect on our community. Whether they've been done in terms of hydro generation, whether they've been the flooding of our communities or whatever the result may be, the only avenue that we've had, again, to be able to protest those kinds of particular things without getting into a direct conflict situation is through these kinds of processes where there are committees, where there is time taken to decide the impacts of those kinds of actions that are taken.

I think basically these kinds of things that deal with the lakes and rivers improvement, the Public Lands Act and all of those particular areas provide a tremendous opportunity for us to be able to have our direct input into how we see a lot of management in these areas.

I don't think at this particular point in time, when we get to this situation, that I can say these are going to be positive changes for us. I think these negative changes for us can only lead to greater conflict at the community level in terms of how things are going to be done. At this stage right now, it's really hard for us to evaluate the total effect that this omnibus bill is going to have on first nations. As I've indicated in the beginning, I think we should be talking about, particularly in these land areas, a relationship with first nations communities in all those areas that are directly affected. Instead of opening up the process and having a direct ability to be able to licence in those areas, I think it would be most beneficial if we did follow through with a relationship and we did talk

about how we're going to work together in the field and if we did find a way for us to be able to deal with the issue of cojurisdiction and the ability to share resources in those particular areas.

So this evening I wanted to make that short presentation to you and I wanted to concentrate on all the land areas so that you would be aware that right now the only avenue we have to be able to impact is being taken away from us in this process. I can only say to you that we don't want to have to say to anyone that we are afraid of the abuse of the resources, we're afraid of the impact that may occur on our people, and we're also afraid of the kinds of backlashes that we may find. I hope that through this committee process people will have the opportunity to be able to see the tremendous effect it's going to have on aboriginal people within this region.

Mr Chairman, that's the end of my remarks. I will open the floor to any questions anybody wants to ask.

The Chair: Thank you very much. We'll start with the opposition party.

Mr Phillips: Chief Peters, I appreciate your thoughtful presentation. You've raised concerns in an area of the bill that we've had very little opportunity to hear from groups on. I might add that we're going to have twice as many people wanting to present to us as we're going to have time to present.

I think you've illustrated in your presentation, in just this small section in pages—I gather it's four pages out of a bill that's 210 pages long—four areas that the native community, our first nations, have maybe some significant concerns around: the Forest Fires Prevention Act, the Game and Fish Act, the Public Lands Act.

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Our problem, frankly, is that we agree this is a major area, but the bill is going through so fast, with so little time for input—and as you yourself have said, you've had comparatively little time for the first nations to look at it, and that's understandable. The bill was introduced first, I guess, two weeks ago, is it now, November 29?

Mr Gerretsen: Three weeks ago.

Mr Phillips: Three weeks ago, and was going to be law by the end of this week.

I just wanted to say to the chief that we will do our best to try and take into account your concerns and to try and see if we can reflect those concerns, recognizing there's lots of interest at stake here, but frankly, the government has indicated they are determined to pass the bill by January 29, to hold no more public hearings than we've already got. I feel badly about that because I know you're expressing some major reservations to us here about the implications of this bill.

One thing I wanted to ask you is around the convention, I think you called it, that you signed with the Ontario government outlining a process for consultation on major bills, if I'm interpreting that right. Has the government consulted with the first nations on this bill?

Chief Peters: No, we haven't had any consultation in regard to any legislation that's going forward.

Mr Phillips: Has the government explained why they haven't consulted with you on the bill?

Chief Peters: No, they haven't. We have had a very limited dialogue at this stage with the new government.

Mr Phillips: Have you attempted to reach the new government?

Chief Peters: We have. In relation to the shooting at Ipperwash, we tried several times to make contact. In fact, at that particular point in time, one of the sessions that was held was with the Premier, but it was in direct relation to the issues that were happening at Ipperwash at that particular point in time. Since then we've had very limited dialogue in relation to any issues that are going forward.

The Chair: I apologize for interrupting, but that's the end of the opposition's time.

Mr Silipo: Let me pick up on that because that was one of the points I wanted to pursue.

Chief Peters, thank you for your presentation. I hear what you're saying, that you haven't had much discussion with the government, or they with you. Do you have any idea about what position the Conservative government has taken on that Statement of Political Relationship? Are they intending to live up to it? Are they saying that it no longer holds? What's your sense of where they are on it?

Chief Peters: I've inquired. I've had meetings where I've asked very specifically in relation to the SPR, the Statement of Political Relationship, whether it was going to be maintained or not, and the only comments we've got back is that the provincial government was undergoing its own process of determining what kind of framework was going to be necessary for them to be able to talk to aboriginal people. Beyond that, we've had no input into any kinds of dialogues around any kind of framework.

Mr Silipo: When the minister was here—I'm trying to remember who was here. Mr Johnson; I'm looking at his. I think the Minister of Natural Resources made some other comments. But the premise upon which the changes that you address tonight are being made is that by changing from mandatory permits to a process of regulation—and your concern, as I hear it, is that by changing that, it denies you the ability to be able to appear when those permits are being dealt with and to make your views known. Have I got that right?

Chief Peters: Yes.

Mr Silipo: Their rationale for doing it is that by making this change they're going to reduce the province's costs of issuing permits and therefore save about $3 million over the next couple of years. What's your reaction to that?

Chief Peters: I guess if the cost factor is reduced and people think that by reducing the cost in some way it will save money, the only thing I can respond to that is that if we do have an altercation, if someone decides they're not going to let any kind of action take place as a result of their inability to address one of these permits, I think it'll cost us more in the long run in terms of the relationship and also in terms of the financial costs that will be associated with that.

Again, I'm not trying to lay the heavies on anybody about any kind of situation, but we've had those in the past even when we've had a Statement of Political

Relationship in place, and I think we'll have those things again in the future.

The Chair: Thank you, Mr Silipo. From the government side, first Mr Klees, then Mr Young.

Mr Klees: Thank you for your presentation. I just have a few questions for you. How many governments in this province have you been involved with in discussions over the last few years?

Chief Peters: I think you're the fourth government.

Mr Klees: And with how many governments in the past have you been involved in the initial drafting of legislation?

Chief Peters: Maybe two.

Mr Klees: To what degree were you involved in the initial drafting of that legislation?

Chief Peters: I think in the one we had with the NDP government, there was extensive consultation that took place. There were actual people who were designated to help in the writing of those particular documents. There was a fairly major role.

On one of the other ones we were given in the past, not with the NDP government but with the Liberal government prior to that, we were given the opportunity to be part of the writing process and we were asked if we would write one particular section that directly related to aboriginal children.

Mr Klees: Thank you. With regard to your concerns around the issue of permitting, you're aware that right now some 54,000 permits are issued annually through the section 15 that you refer to. One of the reasons for the repeal of that section is that we have had significant input from people regarding the interference of those permits in the course of doing business. Do you feel that by streamlining the approval process, you would benefit and in fact the community in general would benefit from the economic development that would be enhanced by streamlining?

Chief Peters: We have very rarely ever benefited from the economic development around our communities. Even when we've struck agreements with mining companies that were supposed to train our people, where jobs were supposed to be undertaken, those things never happened. They've always found legal loopholes and other things that were available to make sure we didn't participate in the economic opportunities that were available.

Mr Klees: Are you hopeful, though, that this in fact could lead to that so that your peoples could benefit from the economic development this would lead to?

Chief Peters: I guess I've always got a problem in understanding what price you pay for economic development. When we talk about the value of the land and our understanding of our relationship to the land, we always have to ask ourselves what you would call the ethical questions in relation to development, whether that development is environmentally feasible or not.

I think those are the same questions that we have to ask ourselves in relation to the land, and if there's a possibility that some of those things may be environmentally acceptable, then that would be fine, but under this current process there's no way for us to be able to tell you whether or not we feel those things are environmentally acceptable or not.

The Chair: Thank you. I'm sorry, Mr Klees and Mr Young. The last foray there exhausted the time.

Chief Peters, I'd like to thank you again for appearing today before the committee.

Chief Peters: Thank you. We will send you a brief.

1830

ONTARIO PUBLIC SERVICE EMPLOYEES UNION, REGION 3

The Chair: Can we please have members from OPSEU, region 3, come forward. Welcome to the standing committee on general government. You have 30 minutes for a presentation, which you can use as you see fit. You may wish to leave some time for questions. I would appreciate it if you would read your name and the name of the organization for the benefit of Hansard and the committee members.

Ms Joan Gates: My name is Joan Gates and I'm with the Ontario Public Service Employees Union. I'm a registered nurse at the Whitby Mental Health Centre. I am vice-president of OPSEU, region 3, which takes in about 4,700 members.

I'm here to comment on Bill 26. I wanted to talk virtually about concerns I have around it, and I've highlighted them on the first page. There's been no preparation for this, I don't see any prioritization, I don't see any standards, I don't see a lot of adjustment, I don't see a lot of accountability, I would say I don't see management, I don't see worker fairness, I see no evaluation, and I don't see vision here.

With no preparation, I wanted to comment that huge changes, such as those contained in Bill 26, require preparation and planning. This government has responsibility to consult with its citizens, to ensure that the citizens are aware and have input into changes. This isn't happening.

In my workplace today, I was walking down the corridor talking to people about Bill 26. They're just starting to realize the impact Bill 26 is going to have on them, but for the majority of them, this is the Christmas season and people are into Christmas. I'm really concerned that this is happening. People with whom I deal virtually have no understanding of the impacts on their lives and, quite frankly, I don't have the full understanding of the impacts this legislation is going to have on my life.

This government did not take the time to consult with affected parties on consequences of the actions contemplated in Bill 26, and there was virtually no debate until Mr Curling forced it.

Changes don't happen easily in the government of Ontario. I've worked for it for 18 years, which is not necessarily a positive or a negative thing at times, but I know you just can't decide today you're going to change something tomorrow; it doesn't happen that easily. Actually, my feeling is that the cat will lose its kittens in Queen's Park, but that's a personal opinion.

Prioritization: In order to accomplish some things, you need to prioritize them. Prioritizing one's goals makes the successful completion of a job or a goal achievable, allows for communication, clarification and allows for responses from people who can be affected by the stated aims and goals. How can the electorate be expected to respond in any meaningful way when concerned parties have chopped their way from one item to the next, vague, incomplete and disorganized? Picking up the pieces and trying to put things together to follow on with a plan means that the end result of the plan, indeed the plan itself, is in jeopardy. The goals may not be attainable unless you prioritize them.

The government is not prioritizing some amendments so that passing some and allowing for a reasonable passage of time will give it feedback on how these changes are working or are not working.

No standards, a whole bunch of stuff with regard to the standards: no standards imposed on access to medical records, personal information, to ensure confidentiality. My understanding is that in Alberta now they're having problems with the access to personal information. The private insurance companies have that information. There's no defined accountability, no standards of conduct, no definition of acceptable and not acceptable behaviour.

On standards of care and standards of treatment, if you're going to privatize this stuff, how do you account for standards of care or standards of treatment?

For years and years and years in the government of Ontario, a lot of workers weren't qualified to do the work they did. We finally got workers who are qualified to do the work they're doing in Ontario and now we want to reverse the trend. We want to say: "Hold on. All of a sudden, maybe we don't need nurses or we don't need that type of person to do that work. Now we don't need those skills. We're going to have unqualified people again." It took us years—actually, I understand that some of our hospitals couldn't be accredited because we didn't have ratios that would allow that, and now we're going backwards.

No adjustment: Job loss will occur and has occurred through previous government actions and through measures contained in Bill 26. No adjustment measures are imposed to ensure a transition for individuals who lose their jobs. Bill 7 took away some labour adjustment plans, and this government will impose minimum standards on employees who lose their jobs, regardless of long service and age.

Also, I don't think adjustments have been considered for some clients and consumers of services who will lose their services. The halfway houses—those people actually were transferred directly back into prisons at times. That costs a lot more money.

There's something I'm really confused about. We're saying we're going to give a lot of work to the volunteer sector. I was on the phone to the United Way today. They do volunteer leadership training, and Comsoc cut their funding for volunteer leadership training; that doesn't exist any more. They used to train people to sit on boards. They don't have that funding any more. I don't know.

No evaluation or accountability: I'm concerned. If you implement all these changes, who's going to monitor the changes contemplated under the act and the consequences of these changes, whether negative or positive? Who will be there to be talked to, to be cried to? Who will have the authority or ability to investigate and change a new system to fit the needs of the public? Should we rely on the politicians' goodwill and sense for the balance of our lives? Once again, these are huge changes in here. It's simply too big to do all at once, in my mind.

No management or worker fairness: I'm a public sector worker and I have been for 18 years now; actually, probably longer than that because I worked in another hospital before working for the government of Ontario. I make a decent salary—and I don't apologize to anyone for that; I haven't had a raise in five years, though—but I spend it in my community. I was hearing Mr Harris on a radio talk show this noonhour today talking about people not buying cars. Well, you have to make a good salary in order to buy a car. If you're in a minimum-wage job, you don't.

Public sector workers have been under attack since the inception of the phrase. I don't think it's acceptable. There has been little or no consultation with the most-affected parties to the actions contemplated by Bill 26. Many cooperative employers and unions normally will negotiate change in good faith, given the needs of both parties. If we know there's a problem, talk to us. My understanding is that people aren't talking to us. These actions under Bill 26 are imposed mostly on unwilling parties and will create confrontation at a time when all of Canada, and certainly Ontario, deserves much, much better. We are reasonable people.

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No vision: The radical changes being contemplated by many of the items in this act are absent of any vision for the social and economic fabric of Ontario. Economists—quite frankly, I'm tired of hearing from economists—argue that the impact of these changes will create a depression. Social activists point out the devastation the changes will have on women, minorities and the poor. This government has not demonstrated that it has the vision for a new Ontario, other than a much harsher society. We may have a lower deficit, but it didn't work in New Zealand; my understanding is that the deficit there didn't go down.

I'm really disappointed today to hear the news that women, for the first time in 10 years—pay equity, actually. Men are gaining and women are declining again. That really disappoints me as a citizen of Ontario.

If it is your intent to privatize this province, keep in mind that private providers set exclusionary rules. I work in a mental health centre, and at times we're made to set exclusionary rules that keep certain high-care, high-risk, and therefore high-cost, people out. Where are these people going to go if there's no place for them? Who will ensure that those high-risk, high-cost people will have a place to go? Who is responsible for ensuring that quality services still exist within Ontario? Who will be responsible for deciding who defines a quality service when providers' only interest is the bottom line?

I recently had a friend from England staying with me. England privatized its water system—a wonderful idea, to privatize the water system. They did it under Margaret Thatcher, and they have to make money on the water system when it's privatized. This person was telling me that everyone thought it was great: Buy shares in the water situation. Then they had to delayer it, and then they couldn't afford to maintain it. In six years, seven years down the road, when the water system isn't doing too well, I can't go to an alternative water provider. Embark on this stuff with much caution.

Thank you for hearing from me today.

The Chair: Thank you very much. We have a little less than five minutes per caucus, starting with Mr Silipo.

Ms Gates: I was watching your clock instead of mine.

Mr Silipo: Thank you very much, Ms Gates, for your presentation, which, in fairness, is a little different from the ones we've heard so far. You focus more on the process, and from that, talk about some of the substantive changes that you see coming.

Looking at your list on the first page, I could easily add three or four others, such as no consultation, no discussion, no disclosure and no process, just to keep the list going. This is one of the frustrations we have been feeling as members of the opposition, that this government seems intent on pressing through with this bill.

To pick up on one of the points you were making at the beginning of your presentation, it's that people still have very little understanding of the far-reaching impact of this bill, although I think it's changing and we think it's changing. I'd like your comment on this: We're not just here protecting the democratic process, which in and of itself is worthwhile, but we're also doing it because it's important, we believe, that people understand that what's at the basis of what the government is doing is that it needs to find, in its estimation, $5 billion—we think more—to pay for the tax cuts, tax cuts which, as we were told earlier today in another presentation, are going to largely benefit people in the higher-income brackets. In fact, the statistics we saw today indicated that 41% of the benefit of the tax cut will go to the 13% of Ontarians who are at the income level of $85,000 or more. So that's the spread, the way it looks, and in order to pay for that, people are going to end up sacrificing service after service, from health care to many other services, looking at paying more for services that we now have available to us through municipalities and others, all for the sake of this tax cut.

I guess I would just ask your thoughts on what more can be done so that the people of the province have a better appreciation for what in fact is being done through this bill, which is, after all, an extension of the economic policies of the government.

Ms Gates: I think that there probably should be further consultation. I believe that this bill is too large to pass as one bill. I don't think that's the proper process.

Mr Silipo: One of the points that you mentioned was pay equity, and although I know that the changes in the bill, as far as I understand, don't affect your members, because you're covered—

Ms Gates: Well, actually it does. It affects the broader public service people, Tony.

Mr Silipo: That's right, yes. Sorry, I'm thinking particularly of your region, and maybe I just didn't understand, in fact, which members you represent. But one of the things that again we're trying to point out here is the absurdity of removing proxy pay equity, which is the mechanism that allows about 100,000 of the lowest-paid women in the province to reach, over albeit a long period of time, some sense of equity in terms of what they're paid.

Again, what we're getting from the government is this rationale that it needs to bring the system back to the way it was, limiting pay equity to only situations where you can make a straight comparator, as you would in the Ontario public service, for example, and just being completely oblivious to the fact that by doing that it is preventing some of the lowest-paid women in the province from being treated equally to other women and to men who are in comparable jobs. Again, do you have any thoughts on that point?

Ms Gates: I know there are a lot of disappointed women out there, Tony. There are a lot of women who had hoped that possibly this would allow them to pay for their own child care and to actually get ahead in their own life, because historically women have not. I don't need to tell people here that historically women have been lower-paid; I shouldn't need to.

The Chair: We must turn to the government caucus.

Mr Tascona: Thank you for your presentation. I have a couple of questions. Schedule Q of the act deals with arbitrators. Have you read that provision?

Ms Gates: I have glanced through some of it. I can tell you I haven't read through it completely. I can take a look at schedule Q. Actually, I am really concerned about some of the provisions around arbitrators and rulings of arbitrators, because I've already been at some board meetings where the employers are saying—

Mr Tascona: I just wanted to know if you had read it. Okay, you've just glanced at it.

Ms Gates: The employers are saying, "'Ability to pay'—we can't pay."

Mr Tascona: Could I just ask you a question, ma'am? I take it that you've glanced at it. Do you oppose mandatory criteria for interest arbitrators?

Ms Gates: Again, I probably would have to take a good read of that section again, because there are many sections in here that I am not sure exactly what they mean, quite frankly.

Mr Tascona: Okay, maybe I'll help you a little bit. In schedule Q there are mandatory criteria for interest arbitrators to follow in the areas that are covered by interest arbitration, specifically police forces, firefighters, hospitals, to give you a couple. In those provisions there are a number of criteria, but there are no powers for the arbitrators to order service reductions. I want you to be clear on that when you do read it.

What the focus has been on here in the hearings has been the ability to pay. What we're trying to put in force is a method to control costs, specifically in the wages and

the employment area. I'd like to hear your views with respect to the fact that we want to put in a system because the provincial government faces, as you know, a deficit situation and there is going to be a reduction in transfer payments for such areas as municipalities, school boards etc. I'd just like to know whether you think it's unreasonable to ask arbitrators to consider an employer's ability to pay when setting contract awards.

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Ms Gates: My understanding is that actually there's always been a consideration at times around that. Again, I've seen that within the recent weeks, since this has come out, people pointing to, "Oh, Bill 26 contains ability-to-pay stuff in it." Frankly, I think that if my employer could pay me next to nothing, they'd do it.

Mr Tascona: "Ability to pay" is dealing with the situation. We've heard both sides, where "ability to pay" has been used basically to pass on to the employer a tax, you know, the increase in salaries, and they'll basically just increase taxes. Certainly it hasn't been given a serious amount of thought by arbitrators in the sense that that's a critical criterion. A lot of them just say it's not. What we're trying to put in place here is that ability to pay is a very important consideration.

I'd just like you to consider that because the ability to pay will definitely affect the costs of providing services and in effect how we manage our operations in the different entities. So, would you think ability to pay is important for arbitrators to consider in determining what kinds of awards?

Ms Gates: In my mind, that's complex at the moment. Before I get into that I'd like some genuine cost-cutting, some genuine cooperative cost-cutting that happens. I'd like some genuine delayering in some of the bureaucracies that I see. I'm not necessarily willing to jump to ability to pay.

Mr Tascona: But you wouldn't want that to be made as a result of an arbitrator's award saying, "I'm going to give a certain amount of increase," and then the employer is faced with how to deal with that increase. Correct?

Ms Gates: Again—I said it in the presentation—there are places where people actually negotiate, knowing, opening the books and taking a look at the cash flow. If it isn't there, I know that it's happened, that people have been reasonable.

The Chair: We'll move to the opposition side.

Mr Phillips: First, I appreciate your presentation. As Mr Silipo said, I think it's slightly different than many we've had in that it deals more with the overview of the bill. But I think it illustrates too that there's been very little time for groups like yours to understand the implications of the bill and that the comments we've just had from the government members illustrate that.

In this bill, if you are a hospital worker or an institution that comes under those negotiations, there is no doubt it is the government's intention to fundamentally change your bargaining position—and that will be true with the firefighters and the police and the teachers—by putting in a clause that frankly doesn't exist anywhere else in Canada, has been taken away in three jurisdictions, I think, including here, and that's this criterion around ability to pay. As I say, I think the previous Conservative government was taken to an international court where it had to be removed.

So I think the government member has made your point for you, which is something that fundamental that your organization has not had even yet a chance to really get involved with it and come to a point of view on it.

Just to follow up on that a little bit, has OPSEU, the overarching OPSEU, had a chance to give you its feedback on this part of the bill, on the arbitration part of the bill? Have you had a chance to review it with—

Ms Gates: I haven't discussed it thoroughly with them. My understanding is our main presentation will be made tomorrow. Yes, I think it will be made tomorrow by Leah Casselman. That's my understanding.

Mr Phillips: I think that will be helpful.

In terms of your members, I think you've indicated here that your members have virtually no understanding yet of what's in the bill. That's not surprising, by the way. I'm not surprised that your members don't. It's 210 pages long. None of us saw this until November 29. It is without doubt the most sweeping piece of legislation that we've ever seen here. I don't think there's any doubt about that.

I would just say that your members have every right to be concerned, because it will touch on them in terms of the medical records being made far more available, the right of the minister to close unilaterally hospitals, to say to every hospital in this province what services can and cannot be provided. I would also say that this document takes away at least $225 million of your pension fund by unilaterally exempting the government from the Pension Benefits Act. There is a law in this province called the Pension Benefits Act that protects pensioners. The government, if you can believe this, is actually going to exempt itself from the Pension Benefits Act, and that will clearly have an impact on your members.

How long do you think it would take for your membership to have a chance to get an idea of what's in this bill? How long should we be attempting to push back the hearings to give you more time to look at this bill?

Ms Gates: Oh, gosh. This stuff absolutely intimidates people at the best of times. I would say eight weeks of hearings, at least. Actually, I was trying to clarify the pension provisions today.

Mr Phillips: The pension provisions are two pages in this bill but they will cost your members $225 million. I saw a higher figure in the paper today from the minister, actually.

Just to let you know, we in the opposition will do whatever we can to try and provide more time for it. I must tell you I'm not optimistic. My colleague Mr Curling did his best to get what we've got now, which is a delay—this bill would have been law by now—till January 29 at least.

Mr Gerretsen: By tomorrow.

Mr Phillips: By tomorrow. Well, at one stage it was going to be law by last week—but by tomorrow—and we did our best to delay it. We'll try and get some more time on it, but I would just urge you to get your membership involved quickly.

The Chair: Excuse me, Mr Phillips. The time is exhausted with this witness. I apologize for having to interrupt.

I want to thank you very much for appearing today before the committee.

We have a cancellation, committee members. Because of that, we'll have a recess until 7:30 pm.

The subcommittee recessed from 1858 to 1927.

ONTARIO PROFESSIONAL FIRE FIGHTERS' ASSOCIATION

The Vice-Chair (Mr Joseph N. Tascona): I think we are ready to proceed. We have the Ontario Professional Fire Fighters' Association. We welcome you here tonight. Any time you want to proceed.

Mr Jim Lee: My name's Jim Lee. I'm a full-time firefighter with the city of North York and I'm also the president of the Ontario Professional Fire Fighters' Association. To my immediate right is Peter Skowronek. He's a firefighter in the city of Niagara Falls. He's also the executive vice-president of the Ontario Professional Fire Fighters' Association.

The Ontario Professional Fire Fighters' Association is made up of 53 associations throughout the province of Ontario from as far south as Windsor, as far east as Cornwall and as far north as Kenora and Fort Frances. We represent over 4,000 full-time professional firefighters from associations as small as three members, such as Gananoque, to a 650-member association such as the city of North York.

Before I get into my specific areas of Bill 26 that directly affect the fire service, I would like to make a few overall comments about Bill 26.

This unprecedented and sweeping omnibus legislation contains 17 schedules which enact or amend 40 separate pieces of legislation. If passed, the bill would vest in cabinet and the ministers of the crown the unconstrained power to make decisions affecting the delivery of public services. In many cases, these decisions could be made by regulation, ministerial direction or administrative order, without parliamentary debate or meaningful opportunity for public scrutiny and without community, local or stakeholder input.

The bill would also grant cabinet and appointed officials the authority to make decisions affecting important individual and group interests and societal values in many areas, including the loss of the right to earn a livelihood. These powers are granted in the broadest of terms, without the statutory limitations or conditions traditionally provided in order to ensure political accountability and effective recourse to the courts.

The bill also contains provisions authorizing cabinet or the ministers to extinguish contractual rights and obligations contained in existing binding agreements and to prevent enforcement in the courts. The bill would empower cabinet or ministers to make regulations or to issue directions overriding the provisions of any contractual agreements and even overriding or providing exemptions from the provisions of other legislation.

The bill also purports to reverse and render of no effect certain decisions already made by the courts or tribunals under existing legislation and agreements, and to insulate the government against liability arising from future court or tribunal decisions.

We feel that the mandate given to the Conservative Party by the people of Ontario when it was elected in no way suggests that the general public would endorse a piece of legislation which will give certain individuals such sweeping powers with no opportunity for public scrutiny or stakeholder input.

Having said all of the above, I would like to move to the specific areas in Bill 26 that we feel will have a direct impact on the fire service and public safety in the province of Ontario.

Under schedule Q, the government is legislatively imposing criteria on the interest arbitration process for firefighters, thereby striking at the independence and the integrity of the only method available to essential service workers for settling the terms and conditions of their collective agreements if negotiations fail. These provisions constitute a significant interference with the independence and integrity of the arbitration process, requiring boards of arbitration to consider governmental criteria in awarding collective agreements.

Arbitrators have stated that basing an award on the ability to pay could render the interest arbitration process largely irrelevant, since the use of the ability to pay could allow the government and the employers to unilaterally determine wages and benefits by simply allocating a fixed or reduced amount for employee compensation in their transfer payments or budgets. The ability-to-pay criterion leads arbitrators to reach pre-determined results and biases their decision in favour of employers. Reliance on ability to pay would undermine the independence of arbitrators and the integrity of the arbitration process.

If employers can unilaterally fix or reduce the budget for employee compensation, and then argue that the arbitrators are bound by the employers' budgetary decisions, this could also undermine the process of collective bargaining itself, since there would be little, if any, incentive for employers to reach an agreement when it is clear that arbitrators will have no choice at the end of the day other than to award the employers' position.

Arbitrators have also criticized the requirement to apply the ability-to-pay criterion on the basis that it requires public sector employees to subsidize public services through substandard wages, a situation criticized by all arbitrators as unacceptable. Since there is no objective test for measuring of public sector employers' ability to pay, arbitrators have held that ability to pay really amounts to no more than the willingness to pay.

By imposing this criterion on arbitrators, government may be able to effectively implement wage controls without doing so directly, thereby using arbitrators as a buffer to escape the responsibility.

Similar legislation was adopted by the Conservative government for a temporary period in the early 1980s. At that time, the chair of the Ontario Police Arbitration Commission expressed concern that "arbitrators may cease to be available since the proposed legislation will impinge on their independence." As a result of such concerns, the legislation was not renewed after a period of one year.

The ability-to-pay criterion deprives employees of a fair and impartial mechanism for determining their terms and conditions of employment. If arbitrators are directly appointed by the government, which lays down in legislation certain criteria that the arbitrators are bound to follow in the determination of their awards, it is inevitable that the confidence in the system will diminish.

The Association of Municipalities of Ontario would lead you to believe that the vast majority of firefighter wage settlements are determined by boards of arbitration. This simply is not true. In actual fact, the reverse is true. Over 85% of all agreements have been successfully and freely negotiated by the respective parties without resorting to interest arbitration.

The Association of Municipalities of Ontario has insinuated for years that because of certain arbitration awards, the firefighters had the arbitrators in their so-called "back pockets." We find that type of attitude totally unacceptable and insulting to the present list of arbitrators in the province of Ontario, when in actual fact it was the unpreparedness and incompetence of the people presenting on behalf of the corporations to put forward a proper argument to the arbitration board to justify their demands. The Association of Municipalities of Ontario has now turned to the provincial government to fill the void for its incompetence.

The bill also requires arbitrators to consider the extent to which services may have to be reduced if current levels are not increased. The intent of this provision is not clear, along with the other criteria listed in the legislation, but it may be to encourage arbitrators to make awards which require employees to subsidize the maintenance of current levels of service through substandard wages.

It also may well be to involve arbitrators in decisions respecting the level of service that should be provided by employers, thereby relieving the public sector employers of their responsibility for making decisions for which they can be held accountable.

The Ontario Professional Fire Fighters Association has discussed the list of criteria with Mr David Burnside, legal counsel for the Ministry of the Attorney General, who is assigned to the Ministry of the Solicitor General. We asked for clarification on the criteria as listed in the legislation and if the arbitrators would be able to go beyond the list of five criteria when making awards.

Mr Burnside was unable to answer our questions and he informed us that in all probability the questions we had asked would have to be decided in the courts under judicial review, at a tremendous cost to both parties. We find this comment very disturbing and totally unacceptable to the entire membership of the Ontario Professional Fire Fighters Association.

The other specific area of Bill 26 that we feel directly impacts on public safety is schedule M. Schedule M would amend the Municipal Act to provide the government with wide powers to restructure existing municipalities and localities.

The powers to be exercised by the minister or commission in implementing a restructuring proposal are left entirely to be established by regulation or by the commission itself. The minister is given virtually unlimited powers to determine, by regulation, the composition and functioning of the restructuring commission, including authorizing the commission to apportion its costs among the municipalities or local bodies affected by the commission's report. Further, the minister is entitled to establish restructuring principles that must be considered by municipalities, other bodies and the commission when developing restructuring proposals.

Apart from the power to restructure municipalities, the bill would give the minister, together with the municipalities, broad powers to alter or eliminate local boards under the control of one or more municipalities. The definition of a local board includes school boards, public utility commissions, transportation commissions, public library boards, boards of park management, boards of health, police services boards and other boards which perform municipal functions. In addition, the cabinet would have the power, by regulation, to deem any other body which performs public functions to be a local board for the purpose of these powers.

Under the bill, the council of a municipality would have the power to dissolve or make other changes to any local board simply by passing a resolution, and this power applies despite any other legislation. Furthermore, the bill would also give the minister the power to make regulations exempting a municipality which has taken over the operations of a local board from the application of any other legislation.

While the full impact of these proposed changes on the operation of municipal services will only be understood when regulations are enacted, the bill would provide the authority for municipalities to eliminate or fundamentally alter the structure and delivery of municipal services. Municipalities may well argue that this power extends to relieve them of the obligation to comply with the requirements of any other legislation, including the labour relations legislation. Furthermore, it may be that the power to make changes to a local board could result in significant contracting out or the elimination of municipal services, if the regulations so permit.

Upper-tier municipalities, including counties, regional, metropolitan and district municipalities, are given the power to pass bylaws assuming services or facilities provided by local municipalities or local boards, where those services are prescribed by regulation. These provisions may allow regional municipalities to assume functions, such as firefighting, presently performed by local municipalities.

In a conversation with Mr David Burnside, legal counsel for the Solicitor General, this exact scenario was put before him and he was asked what protection would the firefighters have if an upper-tier municipality assumed the function of fire protection. He informed us that those employees affected would have no collective agreement and no protection whatsoever. They could be dismissed at that point in time with no recourse whatsoever.

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I ask the committee here today, do you believe that employees who risk their lives for the taxpayers of a community should be treated in this fashion by the municipalities? I find it very difficult to believe that the

Conservative government ever intended this to happen when giving such sweeping powers to a single individual or to the municipalities in the province of Ontario.

Municipalities and local boards are given broad new powers to pass bylaws imposing fees or charges on any class of persons. These fees and charges may be levied for any services or activities provided by the municipality, for any costs payable by it for services and activities and for the use of any of its property.

In addition, the nature of the charges that may be made appears virtually unlimited, including fees or charges which are in the nature of a direct tax. Such fees or charges can vary on any basis that the municipality or local board considers appropriate. In this connection, the municipality may treat different classes of persons differently and may deal with each class in a different way.

Mel Lastman, mayor of the city of North York, looks on specific user fees as a goldmine for the city of North York. He already has plans in place to charge vehicle owners $300 if they are unfortunate enough to have a vehicle fire while travelling through the city of North York. He also suggests the charging of a fee to high-rise building owners for excessive false alarms.

The Ontario Professional Fire Fighters Association feels that user fees in the fire service is a recipe for disaster. We will have individuals trying to extinguish vehicle fires on their own to avoid a charge, exposing themselves and others to severe injury. The potential for high-rise owners to deactivate their alarm systems to avoid charges will potentially put at risk a great number residents and taxpayers who live and work in high-rise buildings in the city of North York.

We feel that schedule M will have a direct impact on public safety in the entire province of Ontario.

The firefighters are currently involved in a review of the fire service in the province of Ontario under the direction of the Solicitor General, the person appointed by the government to be responsible for the fire service in the province of Ontario.

We are dealing with the Fire Departments Act, a specific piece of legislation, and there are potentially a number of amendments that would directly affect the level and delivery of fire service in the province of Ontario. Prior to the election of the Conservative government, we solicited comments from potential candidates who were seeking election on what their position would be on proposed changes to the Fire Departments Act.

We received written responses from a great number of potential MPPs seeking election on behalf of the Conservative Party. In those written responses we received letters from the now Premier of the province of Ontario, Mike Harris; the now Solicitor General, Bob Runciman; the now Minister of Labour, Elizabeth Witmer; and also the now Minister of Health, Jim Wilson, all stating the following:

"No changes will be made under a Harris government until such time as your members have been thoroughly consulted. And we will insist that all changes be fully costed—both from the point of view of workers, as well as management."

Under Bill 26, the Fire Departments Act is about to be drastically altered with virtually no consultation or input by the Ontario Professional Fire Fighters Association.

In a conversation on December 14, 1995, last week, the Solicitor General, Mr Runciman, agreed with me that we had not been thoroughly consulted as was promised by the Premier and other ministers of the current government.

We are here today to ask the Conservative government to live up to their commitment to us before there are any changes to the Fire Departments Act. We are asking the government to exempt the firefighters and the fire service from the impact of Bill 26 and allow us to continue discussions on our own piece of legislation, the Fire Departments Act, as was promised by the Conservative government prior to their election.

All of this is respectfully submitted on behalf of the Ontario Professional Fire Fighters Association. I thank you for the opportunity to voice our concerns with Bill 26.

The Chair: There are about four minutes for each caucus to ask questions. We'll start off with the government caucus, Mr Young.

Mr Young: Thank you for an excellent presentation and thank you for coming. I really appreciate it.

We've had delegations representing teachers and child care workers and people from all different sectors, and the message we get is, "We understand that you need to reduce government and bureaucracy and we understand that you have to cut spending, but don't do it to us."

I wanted to ask you, because I've been struggling with this—I represent the northern part of two towns, Oakville and Burlington—how can we have an arbitrator make a decision for taxpayers without looking at affordability?

Mr Lee: That definitely doesn't happen. I would ask the question, how many of you in this room have ever attended a board of arbitration? How many of you in the room have ever read an award from a board of arbitration? I've done numerous boards of arbitration of behalf of firefighters in the province of Ontario and they definitely look into the ability to pay by the municipality. People who are telling you they don't aren't telling you the truth.

Mr Young: So then I don't understand why you have an objection to having it in there.

Mr Lee: I'm saying that when you put in a specific criterion, you're telling the arbitrator that you're removing his independence. I say to you that what you have to do is to allow the arbitrator to decide on his award by listening to both sides. Let them both put their best argument forward and let the independent individual make the decision along with the two nominees.

The funny part is that the firefighters in the province of Ontario present their own boards of arbitration. We don't have legal people come in and do our boards. It's firefighters that ride the tailboard of the trucks that present the boards of arbitration, not legal counsel like the corporations do.

When they fail to put the best argument forward they blame the arbitrator. I'm telling you here tonight they should be blaming themselves.

Mr Tascona: I'd just like to comment. I've personally dealt with firefighter interest arbitrations and you do a very good job, but we're in a situation right now where we have a fiscal crunch, and for us to exempt you where you're subject to interest arbitration and other groups wouldn't be exempt, and we're dealing with a financial crunch and so are the municipalities, how can we realistically not have ability to pay as a factor and not have mandatory criteria for arbitrators to deal with this? How can we deal with the situation and exempt you?

Mr Lee: Mr Tascona, I would ask you then, why wouldn't the Conservative government, the Premier of this province of Ontario and a number of ministers—the Solicitor General, the Minister of Labour and the Minister of Health—live up to their commitment to us that we would be fully consulted before any changes to the arbitration process? We were not consulted. We weren't informed that there was going to be an alteration of the Fire Departments Act under section 6, which you people have put in place. All I want you to do, as the Conservative government, is to live up to your commitment to us prior to the time you were elected.

Mr Tascona: We are living up to our commitment.

Mr Lee: I don't think you are. I have letters—

Mr Tascona: We're consulting with you now. I haven't seen anything specific in terms of the criterion you don't like. We did make a commitment that you would have renewed collective bargaining within a fiscal framework. We put together a fiscal framework and I haven't heard a criterion that you would support. I can say to you that the arbitrators aren't going to be put in there to reduce service levels. That's certainly going to be something that the municipality and the firefighters would determine.

But I would like to hear from you some constructive comments with respect to how this system can be addressed to deal with our financial crunch. If we don't consider ability to pay, we're not going to be able to address the cost control problems.

Mr Lee: I think the arbitrators have to be independent. The arbitrators have to be able to work independently of the government. That's what I said in my brief. I come back to the position that arbitrators in the province of Ontario deal with the ability to pay. You know, when you look at 87 professional firefighter groups in the province of Ontario, and I went back 14 years today on boards of arbitration, and over those 14 years, out of a possible 1,281 boards of arbitration, we had 141.

Do you think we need to put a criterion in place for arbitrators that is going to affect the independence of the arbitration system because of 141 boards of arbitration over the last 14 years? I don't think that's required.

Mr Tascona: You know as well as I do that those 141 arbitrations would set the tone for the rest of the agreements for the rest of the province.

Mr Lee: That is not true, sir.

The Chair: Sorry, Mr Tascona, but we have to move on to the opposition members.

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Mr Gerretsen: Let me just say that as a former mayor, I totally agree with your concept of the arbitration. Also, having worked some 10 years or so ago on a similar kind of committee with the Solicitor General, dealing with the Fire Departments Act, on behalf of AMO at that time, I know it's a long and arduous process. Do you feel that you've been lied to by these four individuals who have written you letters?

Mr Lee: Not only the four individuals who wrote us letters, and our letters are in our brief with their exact wording, but also a number of other MPPs that were elected on behalf of the Conservative government. We did a grass-roots campaign prior to the election and we did a very extensive cross-section of the MPPs in the province of Ontario, and to an individual, they told us that we would be consulted before there would be any changes to the Fire Departments Act. They unilaterally changed the Fire Departments Act under section 6 without any consultation, and the Solicitor General of the province of Ontario, currently, agrees with us, that we weren't consulted.

Mr Gerretsen: You've probably given, in synopsis form, the best schedule M attack that I've seen yet in the last two weeks here, and with all due respect to all my colleagues in the Legislature, I think you've hit the nail right on the head: This is not specifically about money, but it's about power that municipalities will be given, and if for some reason the minister doesn't like what municipalities have been given, then the minister can overregulate that or can change it by way of regulations. So it doesn't deal with money directly, as my friend across the way says; it gives municipalities the power basically to make up potentially for that revenue they've lost as a result of the grants.

Mr Lee: What I can tell you is that obviously we're concerned about schedule Q, the criteria for arbitrators, but my main point here tonight is schedule M. Schedule M is going to have an impact on public safety in the province of Ontario if it's allowed to go through the way it is currently written in the legislation.

Mr Crozier: When it comes to consultation I believe you have company, because in casual conversations I've had many of the members of the Conservative caucus were not consulted on this legislation, and in fact it has appeared to us on occasion that even the ministers themselves had some difficulty understanding the act.

Mr Young: That's hearsay.

Mr Crozier: But if I could though, even though you do concentrate on schedule M, refer to schedule Q in the short time that I have left, and I want your comments: It's been said that in paragraph 2 under the criteria, "The extent to which services may have to be reduced, if the current funding levels are not increased," it doesn't say that the municipalities and the firefighters will decide this; it says the arbitrator will consider this. Don't you think that's rather ominous in itself?

Mr Lee: That obviously is very ominous to me. I think it's very clear on what they've given to the arbitrator there. I would suggest that in giving him that criterion, "The extent to which the services may...be reduced, if the current funding levels are not increased," there is no indication with regard to public safety, either for the taxpayers or the firefighters themselves who have to go in and put the fire out.

Mr Silipo: Mr Lee, thank you very much for calling a spade a spade and for being so clear and straightforward in your presentation to us this evening. I quite frankly wish that more and more of the presentations were exactly like this, not because I happen to agree with what you're saying but because I think that it's important to be that upfront and straightforward.

I'm very concerned about the issues you raise with respect to public safety, and knowing the work as we all do and appreciating the work that you and your members continue to do on a day-to-day basis, that when you tell us about some of the potential for public safety being endangered because, in order to avoid those fees that municipalities will be able to and will in fact apply under this legislation, there will be greater danger. I'd be happy to hear any more comments that you have, but I just wanted to note that.

The other irony, I guess, that I see in this that you've flagged for us is that you have the process that's now under way with the government where you're looking at changes to the legislation, and when you have a Solicitor General who's admitted that he and his government have broken a very key promise to you as an organization to consult you, it would therefore seem logical for them to agree to fold this part of the bill at least into that process. Do you have any idea why they're continuing to refuse to do that?

Mr Lee: I have no idea. That's a good question. I met with the Solicitor General last week and we have a very frank discussion on where the process was going, where the Fire Services Review Committee is going right now, and he's full steam ahead on changing the act further. I said to him, "Maybe we should see how Bill 26 impacts on the Fire Services Review Committee before I'm required to put a report before you by the end of the year." He's given me until February 15 to give my opinion on where the Fire Services Review Committee is going.

There is another point I wanted to make with regard to the arbitration process. We had a comment made that the arbitrators make a decision and then all the other locals fall in behind. That is not true. What happens is that the vast majority are freely negotiated and then the arbitrator replicates the freely negotiated collective agreements in the province of Ontario, in the vast majority of cases.

Mr Silipo: The other point you make in your brief which I found helpful, which attacks another myth that we continue to hear, is that over 85% of all agreements are successfully negotiated rather than going to arbitration.

Mr Lee: That's correct.

Mr Silipo: It's quite true, as you said, that the impression we are given through municipalities and through the government is that there's a great need to put in this ability-to-pay provision to control costs. This is really not even such a back-door way, as you called it, of doing wage controls. If they had the courage to do that and say, "This is what we're doing," then at least we could deal with that up front.

Mr Lee: What you're being told is simply untrue. You don't see the firefighters on the front lawn at Queen's Park all that often. You don't see the firefighters in the province of Ontario down here making statements at standing committees of the Legislature. What I'm telling you about the impact of Bill 26 is why the firefighters are here. We have a concern about the public safety, we have a concern about the firefighters' safety, and we have a concern about schedule Q regarding the criteria for arbitrators.

But our main concern is that we deliver the service, and who better to tell you how to deliver that service than the individuals who have to go in and deliver that service? That's why we're here tonight.

The Chair: Mr Lee, you've wrapped up the time allotted for your presentation. I want to thank you for appearing today in front of the committee.

Mr Lee: Thank you very much.

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CHINESE CANADIAN NATIONAL COUNCIL
METRO TORONTO CHINESE AND SOUTHEAST ASIAN LEGAL CLINIC

The Chair: Could we please have representatives from the Metro Toronto Chinese and Southeast Asian Legal Clinic come forward. Welcome. You'll have 30 minutes to make your presentation, which you can use as you see fit. Most presenters choose to leave 10 minutes or so for question and response from the three caucuses. I'd appreciate it if you would read your names for the benefit of the members and Hansard.

Ms Avvy Go: Thank you. My name is Avvy Go. I'm not Amy Go, the name given on the list. Amy Go will introduce herself later. I'm the clinic director of the Metro Toronto Chinese and Southeast Asian Legal Clinic.

Ms Amy Go: My name is Amy Go, and I'm the chair of the national board of directors of the Chinese Canadian National Council. Just to give you a bit of background, the Chinese Canadian National Council is a national organization with 29 chapters across the country, 11 of them located in Ontario. We are a public-interest group that is mandated to improve race relations and to promote equality among all Canadians. Avvy will make our deputation, then we'll be very happy to answer questions.

Ms Avvy Go: I'm here to speak only on behalf of the Metro Toronto Chinese and Southeast Asian Legal Clinic. Our clinic provides services to low-income immigrants and refugees from the Chinese, Vietnamese, Cambodian and Laotian communities in the Metro Toronto area. People of Chinese origin, as you know, make up the fastest-growing community in Canada. This is confirmed by the Statistics Canada report released earlier this week. Ontario absorbs the largest proportion of Chinese immigrants arriving in Canada every year. As a growing community, the needs of the Chinese Canadian must not be ignored by this government.

A typical client that comes to the clinic is someone who does not speak English very well and faces various barriers in accessing the legal system and other social services. Because of these barriers, many of them have limited access to the political process and are often barred from participating in public debates and political fora such as this one.

I'm not here to speak on behalf of the entire Chinese community or the immigrant community in general. My

presence here tonight serves to bring up some critical issues raised in Bill 26 and, in general, policies that have been put forward by this government since it came into power. We are here to ask the committee to consider how these various changes would impact on the community of immigrants and refugees in Ontario. Let me now turn to some of the specifics of our concern on Bill 26.

Like many marginalized communities, the immigrant community is aware of the deficit problem, but like many other conscientious Ontarians, we are also concerned about the speed and the way in which the deficit is being reduced. We are affected, if not more severely, by the series of cutbacks we are seeing everywhere we turn. There are, in addition, certain amendments under Bill 26 which are of particular concern to the immigrant community.

I recognize that this committee in particular deals with the issues that are not related to health issues, but I have to make a point of stating that many of the amendments with regard to the powers of the Minister of Health in the restructuring of public and private hospitals and the shift towards private, for-profit health facilities have a great impact on the immigrants. Our general concern around the erosion of the principle of universality of health care, the principle of publicly funded health care, is a significant one. Particularly for ethnoracial minority groups, any time health care gets more privatized we will be the first to suffer, because it is not in the interest of profit-making facilities to provide culturally appropriate services or linguistically appropriate services to the immigrants.

We are also concerned about deregulation of drugs and all the other issues, and we want to make that clear at this committee hearing as well. I have a client who came in the other day with a diabetic condition, and he's really telling me that he has to think twice about buying drugs in the future, even though he seriously needs them.

Of course, the privatization of health care has a non-health impact as well. The increased privatization in health care and other essential services is not only alarming because of its implication in terms of the services provided. We are also concerned about the people providing the service, because in terms of the percentage, more and more people will be employed in the private sector as more privatization takes place. We know that in the private sector, from the experience of the clinics, violations of employment standards are more rampant and employment inequities are more commonly found. At the same time that the repeal of Bill 40 is making it harder for workers to become unionized, employment equity is no longer legally required.

All these are going to give rise to a result that puts marginalized workers, disadvantaged workers, in a more vulnerable position, and among these workers would be immigrant workers.

With respect to the Pay Equity Act, the act was never broad enough to benefit the immigrant women who are ghettoized in low-end, female-dominated jobs in the private sector. But the amendment that is being put forward in Bill 26 is going to lead to the loss of whatever little progress we have made so far.

We are also concerned about the increased charging of user fees at the municipal level or any other government level. On average, during the first few years of arrival, immigrants tend to use more public services, although in the long run the services they use are going to be repaid, as immigrants tend to pay more taxes than Canadian-born citizens. But with the increasing use of user fees by the government, immigrants and many other Canadians are in effect asked to pay double, once when they use the specific service and once when they pay their taxes.

As history tells us, direct user fees are more open to be applied in a discriminatory way than general taxation mechanisms. The most obvious examples I can think of are the Chinese head tax and now the new right-of-landing fee. But there are numerous examples in Canadian history where user fees have been charged to specific target groups. For example, toll fees of various natures were being used against Chinese and other Asian immigrants at the turn of the century by local government.

While governments today rarely openly introduce user fees directed at any one particular racial group, the more insidious form of discrimination is bound to take place. The fact that the omnibus bill provides that the fees cannot be appealed on the grounds that they are unfair or unjust serves as an open invitation, in our minds, for such creative taxation to take place.

But putting aside all these specific concerns, by far the most fundamental problem we see with Bill 26 lies in the fact that it is anti-democratic, as evidenced in the so-called public hearing process leading up to its final and inevitable enactment. There is a big irony about the way we are being governed today. While this government speaks constantly about allowing more community participation and serving people better, at the same time it has consistently acted in an anti-democratic and anti-community way, which is evidenced in the way the welfare rate was cut and now the introduction of Bill 26.

Even if we concede that this government has been elected democratically, in a true democracy a general election does not grant a majority government absolute power to do whatever it wants. At best, the election result is an indication that voters accept either a particular local MPP or the party platform in the general sense. It in no way indicates that voters accept each and every aspect of the ruling party's election platform, let alone the things that are not even indicated or included in the election platform.

What are some of the things included in Bill 26 but not covered by the Common Sense Revolution? The first thing, of course, is cuts to health care and the closing down of hospitals. Indeed, the very contrary is stated in the Common Sense Revolution: "We will not cut health care spending. It's far too important.... Under this plan, health care spending will be guaranteed."

The other thing I can think of is services to seniors and the disabled. The Common Sense Revolution says, "Aid for seniors and the disabled will not be cut."

The other element of Bill 26 which threatens the whole idea of democracy is the protection of privacy and freedom of information. Nothing in the Common Sense Revolution gives this government the power to intrude on individual privacy by tracing movements electronically,

nor does the Common Sense Revolution talk about limiting individuals' right to access their own personal information by imposing excessive fees.

The implication of these amendments for our democratic system is astounding, yet citizens of this province are not given the adequate time to even understand what the government has in store for them. The few weeks of hearings will not give access to people who are silenced by the cuts and are too afraid to come forward. The people we serve will not be able to understand the 2,000-page document this bill contains, nor are there any real means to ensure they can truly participate.

What does all this mean to the immigrant community, particularly when so many immigrants or refugees came to Canada to seek a new life or to escape persecution under a totalitarian state? It is really ironic. Many immigrants came to Canada because they believed Canada is a democratic society where equity and justice are respected and honoured. Many came here to escape a totalitarian state where there's no political or civil rights, but having arrived here, these individuals still have no meaningful access to political participation.

Are we really that different from the totalitarian states where the refugees come from? In form, yes, we are, but in substance sometimes the difference is obscure. What this government is doing and saying essentially is this: "You get your say every five years with whatever information I'm prepared to give you. But, in the meantime, you just have to take whatever is given and keep your mouth shut."

True, there are immigrants who support the agenda put forward by this government, but you have to listen very carefully to them and you would understand the reason for their support. As I said, there are immigrants and refugees who came from countries where democracy does not exist, where there is forever only one ruling party. These immigrants accept the cuts to social services because they do not think there is any other option available to them. They realize that the big corporations and the well-to-do are not paying their fair share of taxes, but they simply accept the notion that the government is there to serve the rich and the privileged, not the poor and the deprived. What this government is doing is to reinforce such notions of autocratic democracy.

There are, on the other hand, immigrants and refugees who support this government's position on deficit for a different reason. They came from places where there is no real social safety net and individuals are left to survive on their own. They are used to the dog-eat-dog approach. To some of these people, any form of welfare is better than none. They have never had any support from their government because the government they used to know did not believe in collective responsibility and equity. So does our government take pride in advancing an agenda that is deprived of any commitment to social justice and a basic sense of human decency? I certainly hope not.

If this government truly believes in making itself work better for the people it serves, as is repeatedly stated in the Common Sense Revolution, then it should roll back the fundamental changes that are being introduced in Bill 26. At the very least, it should open up the debate, break down each specific section of the bill for public information-sharing and then consultation so that you can make the process truly inclusive of all the people in Ontario.

The Chair: Thank you. We have five minutes each, starting with the members from the opposition.

Mr Crozier: Good evening, ladies, and welcome. I'm glad you're here with us tonight.

In this bill, and you may not have touched on it too much, although you talked a bit about health care—and we can discuss health care here as well, I think; we're as well informed as the others are. But in this bill it talks a lot about privacy. In my community—I come from a small community in southwestern Ontario—we have a lot of probably third- or fourth-generation Italians and Germans, second-generation Arabic and Portuguese and first-generation Vietnamese, and I've marvelled and always admired them for at some point in their lives having chosen Canada, and in this case Ontario in particular, to come to.

Because of some of their backgrounds, as you have alluded to, privacy is maybe something they value among some of the other values that they see in Ontario. It's a concern to me in this bill, and I wish you'd express your feelings in your words, the extent to which your private lives are being invaded by this government, to the point that any number of things the privacy commissioner has mentioned—previous medical history, history of family, sexual orientation, all those kinds of things—may be made available. I wish that in your words and from your experience you'd express your feelings on that.

Ms Avvy Go: I guess the notion of privacy is an important one to the extent that it covers the relationship between the individual and the state. If you look at privacy in the family context, then I think there will be a different notion, a different idea that varies from one community to another.

But as far as privacy between individuals and the state, for many of the immigrants and the Vietnamese refugees that you refer to, it speaks to how far a government can go to control their lives. These people come from countries where there is no privacy as far as the government is concerned. So I think the bill really redefines the privacy that we know in Canada, and we are beginning more and more to resemble the kind of privacy notion, or the lack thereof, in some other countries that some of my clients come from. I think that is really unfortunate and that is something we should try to avoid at all costs.

Mr Crozier: Thank you for your observations.

Mr Gerretsen: I was very touched by your definition of democracy, because a democracy or a society is really judged not by how the majority rules but by how it treats its minorities.

I'm from an immigrant family as well, as a matter of fact. I wasn't born in Canada and I know that at least one other member of the committee, maybe more than that, is an immigrant as well. I know that in the 1950s and 1960s the immigrants were always the first to get jobs and get established, and it's still like that in a large part of our community, with the Portuguese who came later on and many of the other groups.

Have you ever done any studies as to the people who are in touch with your office during the first year, let's say, for whatever service they require, and how well they do three or four or five years later? Are they still a burden on the system to some extent, or have they in effect "made it"?

Ms Avvy Go: Amy may have some other comments to make on this point. We haven't done the studies ourselves, but there are many professors and so on who have studied and traced the history of immigrants in Canada.

There's one that I can think of which was done by the Clarke Institute that followed the southeast Asian immigrants and saw that 10 years later most of them are doing extremely well. I don't have the statistics in front of me, but certainly that was one example of showing how, given a welcoming environment—because the southeast Asian refugees, the so-called boat people, were accepted in a very welcoming way by Canada during the late 1970s and they were for a time allowed to establish themselves successfully in Canada. There are other studies, one by a professor out in the east that traced the taxation pattern of immigrants, and he discovered that immigrants, on average, pay $2,000 more in taxes than Canadian-born citizens. I think that's averaged out over a number of years.

So there are many studies out there that show immigrants are able to integrate well in Canada. But I think the question is also, does that mean they have to pay more for the services, which is one of the notions that is being introduced now? On top of paying taxes, they also have to pay for the specific services, which we believe is wrong, given that we have the general tax system that is there specifically to deal with services for Canadian citizens.

Mr Silipo: Let me just say at the outset that I appreciate in particular the exchange around the question of privacy, because that's something that I know is very much heartfelt, as you said.

I want to come back to another area that you talked about a bit, and that is the sense among the people you serve, and I think perhaps even in the broader community, that really people don't expect from their government anything other than that those who are well off are going to be taken care of and those who are not are going to continue to be not treated as well. It frightens me to hear that, because we're seeing that very much with what this government is doing. We're seeing instance after instance where that is happening. You referred to the welfare cuts, for example. I remember Mike Harris saying very clearly not just during the election, before the election, but even after the election that he would not cut welfare rates until there was in place a workfare program; the government would invest some of the money in there. Well, we know that the cuts were made way before anything else was put in place.

We saw them talk very clearly during the election that there would be no cuts to health care, and we see cuts to health care being now put in place.

The words that come out of the government continue to say there's a fiscal crisis and so that's why we have to do this, and yet we have information in front of us that tells us that it's the tax cut that's driving what the government is doing and in fact most of the benefit of that tax cut is going to a small proportion of people, to the proportion that is the most well off.

What is it going to take to change this approach, or is it simply a question that what we have now in front of us is really a government that's being clear about approving that sense you talked about there among communities that in fact government is just going to continue to take care of those who are already well off, thank you very much?

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Ms Avvy Go: I think the government must realize it has certain minimum responsibilities. We may have a lot of differences in ideology, but whatever minimum standards are out there, they still need to be respected.

The sense that I get from my clients—take as an example people who work in a factory or restaurant who are making less than minimum wage. The day after the election—and this is a true story—I have a client who came in about something and she told me that she just went in for a job interview and the employer said to her: "Thirty-five dollars a day. Take it or leave it. We have a new government in now and we're not afraid of the government any more."

It's the message that is being sent out there to employers, to landlords, to people who are in power vis-à-vis the immigrants and the most vulnerable group. I think a strong message must be sent, regardless of your ideology, that there are certain values that we uphold. So you cannot break the law, for example, you cannot break the law on minimum wage or overtime or whatever, that this government, whatever is the ideology, would still be committed to at least enforce some of the standards that have been in existence for so long. But unfortunately, having read Bill 26 and looking at what this government has done, I think the opposite message has been consistently sent out, and that is making people more and more scared. They are less and less willing to come out and speak.

Mr Young: Thank you for coming tonight. Do you provide legal advice to your clients?

Ms Avvy Go: Yes.

Mr Young: Out of your presentation, my understanding was that you're saying the system of government we have in Ontario is not much different from a Third World dictatorship. Should I take that meaning from what you're saying?

Ms Avvy Go: I am saying that if we are not careful, this is the kind of message we will be sending out, especially for people who have experienced a totalitarian state.

Mr Young: So you're not comparing the government of Ontario to a Third World dictatorship, really.

Ms Avvy Go: I'm not comparing that, no.

Ms Amy Go: I think the main point about the presentation is that the experience of some of the Ontarians will not be that different from those people who are in a developing country.

Mr Young: With regard to your concern about a poll tax, if it were put into the bill that a poll tax is not allowed, how would you feel about that?

Ms Avvy Go: Certainly that would be a lot better than what we have right now. Given that you're giving more power to municipalities, whether to be more so-called flexible in providing services or impose direct taxes, I think that's the very minimum that you could do, that it does not mean they can impose a poll tax.

Mr Hardeman: First of all, I want to say—I think it was somewhat hinted to—in fact I am a first-generation Canadian and I was an immigrant. I guess now I'm a citizen. When we came to Ontario it was by choice and it was because it was a place of hope and opportunity. I would suggest that a lot of the people you work with have that same perception.

One of the things that I've found since that time, and at least that our government has found, is that in fact the financial situation is such that unless we do something, that hope and opportunity will disappear.

You mentioned the one issue of user fees that seemed to trouble you somewhat, but from the people that you speak for, do you see the option of reducing the service completely as a better option than taking those services that are not core services and putting user fees to them so in fact we can keep the services that we have grown accustomed to in our local community by paying for them in a different way?

Ms Avvy Go: I think the issue of government spending, deficit, can be addressed in a drastically different way from the way this government is addressing it now. I'm not saying that's only the provincial government, but even the federal government which is in power that focuses solely on reducing services as opposed to looking at the revenue generation. I think there's a lot more that could be done there, and maybe a lot more negotiation even with the federal government in terms of transfer payments to provinces, which we are also very concerned about.

I don't think the solution is to ask the people who need the services most, who are the least able to pay for the services, to bear the burden. I think somebody else with a lot more resources, like the banks, like big corporations, which have not paid their fair share of taxes, could share some of the burden, because investment in human resources is beneficial to their interests as well.

Ms Amy Go: I think we should not be so shortsighted too. I work with seniors, and many of the seniors, when we told them about raising a meal by just a dollar, they would not order the meal, because it imposes hardship on them. As a result of that, by not ordering that meal, the seniors' frailty is just going to go downhill drastically. As a result, the person will go in the hospital earlier or go into the institution, as we all know, which is going to cost us even more. So I think we should not be so shortsighted as to say, "Yes, let's impose more user fees and make them pay so that we can maintain those services," when in the long run we are paying more in the other end too.

The Chair: Mr Sampson, quickly; one minute.

Mr Sampson: I think today it was announced that one of the automotive companies was going to expand here in Ontario, creating quite a few more jobs. I'm wondering what their response would have been to that investment decision if they had heard what I think I just heard a few minutes ago from you, that we should tax the corporations more.

Ms Avvy Go: Yes, I think so.

Mr Sampson: Do you believe those jobs would have been a major—

Ms Avvy Go: I'm not the expert, but the experts have said their piece in many studies, including the Fair Tax Commission that was done in this province a couple of years ago. One of the findings that was made by the commission was that the level of taxation is not a key factor to determine where corporations invest their money.

Mr Sampson: So your view is that Honda—I think it was Honda—would still have made the decision if you had said to them, "Tomorrow your taxes are twice what they are today"?

Ms Avvy Go: I think Honda would invest in this province if they think we're stable politically, economically. But our political stability depends very much on the wellbeing of individuals.

Mr Sampson: We're talking in the neighbourhood of a $10-billion shortfall each year. That's just to keep us above water; we're not paying down debt. That's a significant amount of money to raise in taxes.

The Chair: I'm sorry to interrupt, but time has expired. Thank you for coming tonight and making a presentation to the committee.

TORONTO TEACHERS' FEDERATION

The Chair: Would the members from the Toronto Teachers' Federation please come forward. Good evening and welcome to the standing committee on general government. You'll have 30 minutes tonight to make your presentation. You can use that 30 minutes as you see fit. You may decide to leave some time at the end of your presentation for questions, as most folks do. Before you begin, I'd ask that you would please read your names and your organization into the record for the benefit of both the committee members and Hansard.

Ms Frances Gladstone: My name is Frances Gladstone. I am the president of the Toronto Teachers' Federation. I would also like to introduce those colleagues who are with me here at the table; they are also members of the executive of the Toronto Teachers' Federation. To my far left is Maureen Coleman, who is an area councillor in the north section of the city; to my immediate left is Jennifer Burrell, vice-president of grievances; and to my right is Linda Conetta, vice-president of political action and public relations.

I'm certain that the message you are hearing now has been echoed and re-echoed throughout the day, but its importance is unquestionable, and the more often you hear it, the greater the possibility that you will act on it.

I've lived all my life in Toronto and have always considered myself fortunate in this respect. I also consider myself fortunate to have been born a Canadian. The

one thing that I never expected to experience living in this country is how it felt to live in a dictatorship. But since this government has come to power, that's how I'm beginning to feel.

This government has rammed through legislation with no debate, no discussion, no opportunity for consultation and no regard for the implications of your legislation. You have one idea only, and that is to cut the deficit no matter the cost to people or institutions.

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Now you have capped your earlier performances by attempting to pass an omnibus bill that encompasses over 40 separate pieces of legislation. This bill confers enormous power on your government and on individual ministers—powers to shut hospitals, annex municipalities and disclose personal medical information. As Bob Rae said: "If a government intends to change public policy—and people's lives—so fundamentally, it cannot proceed without public input that is informed and accessible and citing consultation on the Common Sense Revolution doesn't cut it. The Tories didn't campaign on health care cuts and user fees or on giving overriding powers to ministers."

These are sweeping, fundamental, irreversible changes, none of which had been made clear to the public or, for that matter, to the opposition parties. This government had no desire to make these changes clear. After all, knowledge might lead to a refusal to accept. Once people in large numbers began to protest, it would not be so easy to simply pass the bill through; far easier to have pushed ahead with debate or consultation. It would be a long time before people realized what had happened, and by then the legislation would have long been enacted as part of the Common Sense Revolution. Your decision to hold these hearings is a positive step. We can only hope that you will listen well to the concerns expressed and respond appropriately to them.

Using health care as an example of the vast powers this government is conferring upon itself, I would point out the following: The amendments to health care alone give this government sweeping powers. Currently, you must give preference to non-profit and Canadian-owned health care facilities. This legislation will allow American companies to increase their scope and numbers, much to our detriment. In addition, among the Minister of Health's new powers would be the right to contract with anyone chosen, without requesting proposals to be submitted. He could also close hospitals, appoint new hospital supervisors or tell individual hospitals what services to provide. That's not just power, that's absolute power, and absolute power is just another work for dictatorship.

But that isn't enough power for this government. This bill also removes the right of the OMA to negotiate. It cancels their legal agreements and removes doctors' rights. It also goes after pharmacists and drug prices and disclosure of medical information. These changes are unconscionable, as they appear to abrogate the democratic process.

In another sphere, closer to my specific area of interest, the right to strike has suddenly disappeared for police, for firefighters and for hospital workers. I suppose this government would say that they are essential services and cannot be allowed the luxury of strike action. Well, they are indeed essential, but that does not mean they have not the same right as all other workers to negotiate their collective agreements up to and including the right to strike. Once that right is removed, people are at the mercy of not always benevolent employers. Teachers were fortunately left out of this mix, but we too will be included in the changes to arbitration.

The Tories feel they need to spell out for arbitrators how to reach an appropriate decision. If the boss says he can't afford the cost, don't charge him. This criterion, the employer's ability to pay, strikes at the independence and integrity of the only method available for settling disputes around collective agreements. It will undermine the process of collective bargaining, since employers will know that their position must ultimately be upheld. Is this what this government considers unbiased, objective arbitration?

None of these issues was ever mentioned in the concept of the Common Sense Revolution. It strikes me, though not for the first time, that this concept was merely an election ploy, designed to play to the need of the public to see some changes, to feel some relief from the concerns that faced us all—an overwhelming deficit, high unemployment and difficulty managing our resources.

I'm not here today to go through, one by one, the massive changes this bill is proposing. The general theme is clearly evident in the changes I've cited. This bill, and I'm quoting from Robert Sheppard of the Globe and Mail, has the power "to extinguish the statutory or contractual bargaining rights of three large public sector groups, to reduce the pension benefits of some long-serving police, firefighters and almost any other public employees who might be declared redundant, to override at least three court decisions, to allow for highway tolls, user fees and municipal head taxes, and to repeal the Bread Sales Act of 1980. I'm just scratching the surface here."

This bill will take away many of our rights as well as the privileges we have enjoyed and were led to believe would continue. The bill confers such broad powers on ministers that decisions could be made through their direction or administrative order, by regulation and without debate, public scrutiny or local input. This is not democracy. This is no Common Sense Revolution. It is a massive, unprecedented intrusion by government, by one swift, shocking movement, into all our lives.

There has been nothing with this kind of sweep in this province before. Rolling so many issues into one omnibus bill denies the opposition the chance to oppose effectively and the public the chance to understand and react.

What we are seeing here is the dismantling of the democratic process through removal of the right to discuss, debate, seek clarification and reject a concept if desired. The government has abrogated the people's right to participate.

Given the dictionary definition of the term "dictatorship" as "a government which holds absolute power," it seems to me that there is no other name to apply to the behaviour of this government. Thank you.

The Chair: Thank you. We have seven minutes per caucus. We'll start with the third party, Mr Silipo.

Mr Silipo: Thank you for the presentation, Ms Gladstone. I'm sure that the government members will take great exception to your labelling the government as a dictatorship, but I think it's helpful that you've ended your presentation with a dictionary definition.

I wanted to just pursue one issue with you, because you say early on that what you think is driving this government is its yearning to cut the deficit, no matter the cost to people or institutions. I have to say to you that as much as I would disagree if that were in fact the intent of the government, I think it's actually worse than that, because I think that what we are seeing is that it's not so much the issue of cutting the deficit that's driving the government, but it's in fact their intent to provide a 30% tax cut.

The reason that is actually worse is because the amount of money that's necessary to pay for that tax cut they've estimated at about $5 billion, in their own numbers; we think it's actually higher. But that amount of money is actually higher than the amount of money that they're cutting for other purposes. One could say that if they were really serious about cutting the deficit, they wouldn't be providing this tax cut or they could, alternatively, be reducing the deficit over a longer period of time, giving people the time to adjust to the changes without the tax cut. They're doing neither of those. They're intent on doing the tax cut.

I think it's important that we address that issue as well because, again, what we see happening as a result of the tax cut is that about 40% of the value of that tax cut is going to go to 13% of the taxpayers and the balance of it is going to have to be shared among the remaining 87% of the taxpayers. We're seeing again that those who are the most well off are going to benefit to the greatest degree by that.

We've heard this through presentation after presentation. What we are seeing clearly is a shift here, and a pretty clear direction by this government, to move resources into the hands of those who are most well off. The previous presenters we had—I don't know if you had to chance to hear them—talked about their dismay that what this government was doing was in fact confirming the worst in the public's sentiments about government; that is, that government does not exist to take care of all of us, but government exists to basically continue to improve the situation for those who are already well off.

As teachers, it seems to me that you're in a unique situation to talk to us about what happens when government perpetuates, not just by its rhetoric but indeed by its actions, that perception about government as an institution, what that does to the kind of society that we are developing when the kinds of things that you see and the kind of future that you see for the young people you teach and care for for the better part of the day.

Ms Gladstone: I'd like to just start by saying that with regard to the taxation and with regard to the tax cuts, I somehow see this government as Robin Hood in reverse, taking from the poor to give to the rich.

Going on to your final point, we have a real problem with what's happening now, because teaching and learning in our classroom centres on freedom of expression and respect for the ideas of our students. We need a government that models this ideal, and I don't think that this government is currently doing that. The way that we have to present them, the things that are happening currently aren't going to allow us to use as a model for what is suitable behaviour for our children this current government.

We have a number of other problems as well. When you talk about the tax cuts, I quite agree with you that if we're talking about deficit reduction while at the same time we're looking for tax cuts, the two don't quite go together. I don't think anybody objects to having money, but to have the money given back to the very people who need it least while taking it away from the people who need it most is quite unconscionable.

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Mr Silipo: One of the difficulties we are having—and we've been at this for only a couple of days, so we'll see if the process of these hearings generates any kind of movement among the government. We've certainly heard so far admissions by ministers, even before these hearings began, of areas they recognized there were mistakes in, that there are things in the legislation that they thought were not there, didn't know were there, thought said different things than they appear to say now. But with all of that, while we expect to see some amendments at the end of this process, I'm not sure we're going to see a real effort by the government or a real willingness to make some substantive changes.

I was curious to know if you had any thoughts about what more needs to be done so that the government understands that what it is dealing with here is something far more than just a typical omnibus bill which changes in a minor way a whole bunch of legislation, that we are talking here about some pretty significant changes that, as you say, among other things puts into the hands of a few people a lot of power and thereby undermines the very essence of the democratic process we live under.

Ms Gladstone: What I would ideally like to see happen is that this bill be taken apart entirely and that it be presented piece by piece, each piece of legislation separately.

An omnibus bill, in my understanding—and I don't pretend to understand a great deal about it—usually encompasses a similar thread throughout and deals with one specific issue and takes together a number of different parts of that issue and puts them together into one bill. In this bill, the issues have nothing to do with one another. They are as separate as the mining and the health care. They're totally disparate, there's no similarity among them. That's the first thing I would like to see happen.

The second thing I would like to see happen in this bill is that these powers not be given to the ministers. The amount of power, the kind of power this bill will be giving to the ministers is truly the kind of power that I liken to dictatorship, and that's the only thing I can compare it to.

The Chair: We have several members from the government caucus, starting with Mr Young.

Mr Young: I find your definition of "dictatorship" simple and totally inadequate. A dictatorship is a government which holds absolute power, but one which tolerates no opposition—

Ms Gladstone: Well?

Mr Young: —and one where there is no democratic process.

Mr Silipo: So what's your point?

Mr Young: You're out of order.

The very fact that you're here tonight belies that there's any such similar situation in Ontario. I really find it irresponsible of you to use that language, comparing the type of government we have in Ontario.

Ms Gladstone: I'll accept your opinion.

Mr Young: You said that we dismantled the democratic process etc, yet on page 2 you say: "Your decision to hold these hearings is a positive step. We can only hope you will listen well to the current concerns expressed and respond appropriately." We are listening and we will respond, so I don't know how that fits in with what you said on the first page, which is that there's no opportunity for consultation.

As we're now spending $9 billion a year on interest on government debt in Ontario, more than we spend on public school education and all our hospitals, what kind of model are we having for our students if we have a bankrupt province, where we can't afford a proper school system, we can't afford health care, we can't afford welfare, we can't afford universities?

Ms Gladstone: You're quite right; the amount of the deficit is extremely high. What I really believe is that you're going about getting the money for it the wrong way. I would agree with the previous speaker. There are other ways, apart from cutting services, by which you can enrich the coffers and reduce the deficit. Those are to tax corporations, to tax banks—and you've heard the story before; I'm not saying this for the first time, I know that. But those are never the people whose money you go after.

Mr Young: Did you know that the last time the NDP raised taxes, no new money came in? They sat there scratching their heads and what they came up with was the social contract, because they realized there's no new money out there. People stop working, they move away, they go underground. There's no more tax revenue out there.

Ms Gladstone: Then maybe what we need is a leaving tax, so that if people decide to go away, they have to pay to leave.

Mr Young: There's a good idea. That's called dictatorship.

Ms Gladstone: No, it's not. That's called taxation.

Mr Tascona: I'd just like to clarify that Bill 26 does not affect police or firefighters or hospital workers. They don't have the right to strike, never have, and they're not impacted by Bill 26. Teachers are not impacted by this piece of legislation either, because they have the right to strike and they're not affected by arbitration; they don't have to go to arbitration. I just wanted to clarify that.

With respect to the arbitration process, other jurisdictions in other provinces have mandatory criteria for arbitration. The purpose of the provision is to control costs; it's not to set service levels with respect to arbitrators. I'd just like to put to you that it's in the public interest for ability to pay to apply. What we've found is that arbitrators don't consider ability to pay as a factor because they believe it just can be passed on in tax increases. The situation we're facing is that we've got a critical deficit situation, we've got a reduction in transfer payments to municipalities. How could it be unreasonable to ask arbitrators to consider an employer's ability to pay when setting contract awards?

Ms Gladstone: Because then you no longer have an objective arbitrator. You have an arbitrator who has been told what he can and cannot do.

Mr Tascona: He's being told what to consider.

Ms Gladstone: That's right.

Mr Tascona: What's wrong with that, when we have to control costs? We can't pass on taxes to the taxpayers.

Ms Gladstone: I would assume that any arbitrator would consider all the facts before him, including costs. That's what an arbitrator's job is. But for you to put in that he must look at costs, must include costs, takes away his ability to be an objective arbitrator.

Mr Tascona: An objective arbitrator would look at the ability to pay.

Ms Gladstone: That's right, but you don't need to tell them that they must.

Mr Tascona: We put the criteria in because they don't, and that's the problem.

Ms Gladstone: That's not true.

Mr Tascona: But that's what we've heard all today.

Ms Gladstone: In our board, through our collective negotiations we're in arbitration often enough that the arbitrator must look at costs among all the other factors that they have to consider.

Mr Tascona: I understand that fact-finders look at that, but fact-finding for teachers is not subject to the legislation. We're not dictating any criterion for that. For arbitration we have, but you're not subject to arbitration. What we've heard from the groups that are subject to arbitration is that arbitrators do not consider the ability to pay.

Ms Gladstone: I think you're mistaken. We are subject to arbitration, to my knowledge.

Mr Tascona: No, you're not.

Ms Gladstone: Well, our legal firm—

Mr Tascona: No, you're not mandated for arbitration. You can check that out.

Ms Gladstone: Perhaps your language and mine is different. I may not understand what you're saying.

Mr Tascona: We've listened to five teachers' groups, and they've all indicated they're not.

Ms Gladstone: I was taking a look through the memorandum that Sack, Goldblatt, Mitchell prepared on this bill, and it was in there that I found this.

Mr Tascona: Well, we can agree to disagree.

Ms Gladstone: We can agree to disagree.

The Chair: Thank you. Members of the opposition; Mr Gerretsen.

Mr Gerretsen: I'd just like to correct the member. If you look at page 210, section 5 says, "Section 35 of the School Boards and Teachers Collective Negotiations Act is amended by adding the following subsections" dealing with the arbitration section. Maybe you should have read the bill a little bit more closely.

Mr Tascona: I've read it. You should read it.

Mr Gerretsen: I'd like to get back to this deficit situation. I think you'd agree with me as much as with anybody that we have to do something about the deficit.

Ms Gladstone: Yes.

Mr Gerretsen: To put it in simplistic terms, the province has about $45 billion coming in in revenues, and $55 billion going out in expenditures leaves about a $10-billion annual deficit currently, in that neighbourhood. What the tax cut is doing is taking $5 billion off the $45 billion of revenue, and we'll only have $40 billion of revenue, so we've got to come up with $15 billion to make it match. The government could be doing something about it immediately by getting rid of a third of it by just forgetting about its idiotic tax cut. Would you agree with that?

Ms Gladstone: I would definitely agree with that.

Mr Gerretsen: The other thing, as you so ably pointed out, is this bill has more schedules in it than anybody has ever seen. It deals with the Mining Act, it deals with hospitals, it deals with correctional services, with interest arbitration, with the Municipal Act, with the physicians' act, with pay equity, and you can just go on and on and on. Would you not agree that the better way to have dealt with this bill is to have cut it into different sections and have each section discussed at some length?

Ms Gladstone: Absolutely. As I said earlier, this bill should have been presented piece by piece, each piece of legislation separately. If the pieces of legislation tied together, they could have perhaps been presented in groups.

Mr Gerretsen: Before turning it over to my colleague, I would just state once again that if Mr Curling hadn't taken the most peaceable way in which someone could possibly demonstrate—you can't demonstrate any more peaceably than just sitting in a chair and refusing to get up. If he hadn't done that, we wouldn't be here today discussing it, or if we had been here today we wouldn't be here tomorrow; we'd be voting on it. At least what we've got is about another three weeks of public hearings.

Originally, the idea was that the bill be passed by December 14. That was the original intent, and then later on there was some sort of notion brought that there would be 360 hours of hearings in two weeks, which would have meant 180 hours per week when there are only 168 hours in a week to start with, or by two or three subcommittees all sitting at the same time listening to delegations for 40- or 50-hour stretches. If you call that part of the democratic process, I disagree with that as well.

Mr Crozier: I like to try and ask each delegation a different question. I've heard the same questions time after time from over there. I'm going to ask you this, and I don't think it will take long for you to decide.

If you had two people to vote for, and one said, "I'm not going to cut one cent from health care," but the other one said, "I'm going to put a user fee on the Ontario drug benefit plan, but that's not cutting health care; I'm going to take $1.3 billion away from hospitals; I'm going to be giving the authority to charge you for doing your laundry when you're in the hospital, your soap, your Kleenex, maybe even your meals," which one would you vote for?

Ms Gladstone: I'd vote for the one that said, "I'm not cutting one cent from health care."

Mr Crozier: And do you know what, ladies? They're the same person, they're Mike Harris, because that's exactly what was said.

Ms Gladstone: That was what was said before the election. Things that are said before an election are seldom the same as things that are done after an election. We all know that.

Mr Crozier: That's my point. Another thing that has come up is, "We're not going to take anything out of classroom education," but the other day—

Ms Gladstone: Oh, I know, except $400 million.

Mr Crozier: But the other day there was a report that said, "But we're going to consider JK, all-day kindergarten, French immersion, anglais for certain grades," and I can't remember exactly which ones, "French core, adult education." Do you know how we're going to do that? We're going to make those non-classroom items, you see. What we do is that we have our bottom line we want to get to, and you know how we get to the bottom line? You eliminate all these other things and make them exclusive. From an educational standpoint, would you agree with that?

Ms Gladstone: Of course none of that will affect the classroom, needless to say, not the loss of kindergartens, not the loss of French immersion, not the loss of whatever other programs are planned to be cut. And $400 million of course can be taken very easily, without any effect whatsoever to the classroom. Well, I would like our worthy government to show us how. I'm sure they have some ideas of how they're going to do that, but we haven't yet figured it out and we're still waiting to hear. Of course $400 million is a very large sum of money and I would be very interested to hear how it can be taken without any effect on the classroom.

Mr Crozier: We all agree that expenses have to be reduced, so my two points were to get away, just for a moment, from talking about money to talk about integrity.

The Chair: On that note, ladies, thank you for appearing tonight before the committee.

That's our last witness for the evening. Now some housekeeping notes.

Mr Hardeman: This morning there was a question from the Toronto board of trade presentation and from something the minister had said yesterday about the

Metro areas not being part of the restructuring, the M section of the bill.

In fact, if we look at the schedule, amendments to the Municipal Act on page 133, in subsection 25.2(1) there's a definition of "municipality": "'Municipality' means a county and a local municipality but does not include a local municipality which forms part of a regional, metropolitan or district municipality or the county of Oxford."

The Chair: This was a request made by members that we get that clarified, so I allowed that.

Mr Silipo: Mr Chair, I don't want to prolong this, because I'm sure we're all tired, but while I appreciate that and I think it's helpful, I understand there are other sections—I was trying to find them, and maybe the parliamentary assistant could help us with this as well, either tonight or tomorrow—that deal with the shifting of powers between different tiers that do apply and would apply to the GTA.

Mr Hardeman: I would point out that the definition we read applies only to that portion of the act on the restructuring. I think the board of trade was inferring that the restructuring part would apply in Metropolitan Toronto.

Mr Silipo: So the restructuring doesn't apply, but the shifting of powers does apply.

Mr Hardeman: The shifting of powers does in fact have a different definition.

The Chair: I'd like to remind the members that tomorrow we'll be meeting at 9 am, not 9:30, in committee room 1. We stand adjourned until tomorrow.

The subcommittee adjourned at 2055.

Continued from overleaf

EVIDENCE SUBCOMMITTEE
STANDING COMMITTEE ON GENERAL GOVERNMENT

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Flaherty, Jim, (Durham Centre / -Centre PC)
Grandmaître, Bernard (Ottawa East / -Est L)
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*Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Wood, Len (Cochrane North / -Nord ND)
*Young, Terence H. (Halton Centre / -Centre PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:
Gerretsen, John (Kingston and The Islands / -Kingston et Les Îles PC) for Mrs Pupatello
Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître
Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty
Silipo, Tony (Dovercourt ND) for Mr Wood

Also taking part / Autre participants et participantes:
Cooke, David S. (Windsor-Riverside ND)
Crozier, Bruce (Essex South / -Sud L)
Curling, Alvin (Scarborough North / -Nord L)
Klees, Frank (York-Mackenzie PC)
Newman, Dan (Scarborough Centre / -Centre PC)

Clerk / Greffière: Mellor, Lynn

Staff / Personnel:
Pond, David, research officer, Legislative Research Service
Richmond, Jerry, research officer, Legislative Research Service

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

Evidence subcommittee

Wednesday 20 December 1995

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Mercredi 20 décembre 1995

The subcommittee met at 0902 in committee room 1.

SAVINGS AND RESTRUCTURING ACT, 1995
LOI DE 1995 SUR LES ÉCONOMIES ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficience du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

The Chair (Mr Bart Maves): Welcome to the third day of the standing committee on general government. Just before we get going we have a housekeeping matter. I believe Mr Phillips would like to table a motion.

Mr Gerry Phillips (Scarborough-Agincourt): Thank you, Mr Chair. It's a significant motion. My apologies that there aren't copies. The clerk's getting them. It's just a motion that I'd like the committee to deal with, preferably today, but I think each of the caucuses may want to look at it and consider it, so maybe we can deal with it later this afternoon.

Essentially we're finding we have already far more groups than can be accommodated, and the motion suggests that the bill be split and that the government identifies the areas of the bill that it clearly wants dealt with by January 29, and we give ourselves more time for public input on the other portions of the bill and deal with them when the House resumes in March. You'll have the copies of that motion shortly. I think we can hopefully deal with it later today.

The Chair: What I'd like to do with that is—

Mr David S. Cooke (Windsor-Riverside): We should have taken a quick vote. There are only two of them here.

The Chair: Because of the significance of that motion, we'll leave it until a point this afternoon where we have a half-hour to debate the motion and give all the caucuses an opportunity to discuss that with their House leaders.

DON COUSENS

The Chair: To begin this morning's proceedings, I'd like to call on the city of Markham mayor, Mr Don Cousens. Good morning, Mayor Cousens, and welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You can use that time as you see fit. I advise that you leave some time at the end of your presentation for questions, responses from the caucuses. I'd appreciate it if you would, even though I just did, read your name and organization into the record for the committee and Hansard.

Mr Don Cousens: Thank you very much, Mr Chair. My name is Don Cousens and I am the mayor of the town of Markham. I'm very pleased to be able to have this opportunity to make some comments to this committee. I regret that I didn't have time to have them all prepared in writing to distribute beforehand, but I'd like to share some of these thoughts.

Bill 26 is certainly a very impressive bill and has a great deal to it. I've had a chance to review parts of it and want to share them so that the Legislature could benefit from at least this one person's view and certainly our municipality's.

As I think of the times that we're facing here in Ontario, these are momentous times, and I think it's going to require a monumental effort on the part of the government and the Legislature to address the concerns that are facing people today. When you think of how it's going now, the status quo just will not give us the winning edge as a province that we really have to have.

Our economy is in shatters. We can blame all kinds of people and governments, but we really just have to put a stake in the ground and begin afresh to see what we can do to get Ontario working again and to get the manufacturing back. The announcement yesterday from Honda certainly is going to affect our community, with Magna head office there, but we also know it's a positive boost to everybody to see manufacturing coming back stronger than ever into our province.

Consumer confidence is weak. Just reading what's happening within the retail industry before Christmas, the sales are an indication that stores just aren't getting people to put their money out fast enough to buy the inventory that they've got. Our Canadian identity is in trouble, and I think we all have to be concerned with what's happening in our country. I look at our youth and I see them uncertain about their future.

You come along and say, "Why is that important?" As a municipal politician, I am concerned about the big picture. I'm concerned about Canada, that we continue to do everything we can to be competitive, at our level, your level and every level, so we're working together to attract new industry and new business to our province, and that

our federation of Canada is strong. I always have seen myself as a Canadian first and an Ontarian second, and what is good for our own community really follows through the fact that all those other things are working to our benefit.

Our economy has to be strengthened. I am a strong supporter of the initiatives that I see within Bill 26 that I think will help ensure a strong infrastructure for a stronger economy. What we have to do is create an environment for investment, and I think Bill 26 is in many respects trying to address those concerns by making changes within the systems of governance and government. Certainly in the areas in which I'm involved, I see it as having a positive thrust.

As well, we have to look at the social responsibility that we have. We in our communities have to start accepting more responsibility to do things that maybe we expected the government to do for us before.

There are two areas I have special interest in: one is that of governance within the local government area, and the other has to do with one of my favourite subjects—I've been monitoring this one for years and trying to push it even in the early stages—that is Highway 407, and some of the effects on that one.

On the governance issue, there isn't an awful lot in this bill that will answer the questions I have with regard to the Golden commission and the changes that will be needed within the greater Toronto area. None the less, I see within the bill some decisions being made that make so much sense.

In the last session of the Legislature, we saw Tiny township broken up and changes made within that small municipality as all the neighbouring municipalities just plundered in upon it. It really was one of those things I wasn't happy about at the time, and I see a new spirit being brought forward in Bill 26 by the Ministry of Municipal Affairs and Housing in trying to get municipalities to come forward with their own ideas, to try to gain a consensus. There's a carrot-and-stick approach but it means, let's try it in a friendly way, and afterwards there'll be some of kind of enforcement of it if it doesn't happen otherwise.

0910

I see that as at least the beginning of something, and I think that with the effort that's got to be taken to reduce costs at local government level, this begins to be a blueprint for action that I think can show that Ontario is prepared to move into the next century by repositioning itself. I like the fact that it's starting off with a voluntary approach and then allowing other things to happen.

I also think there has to be a sense and a spirit in there of community, and I don't see it, but I hope that we don't make some of the mistakes that even one government did in 1969. My own community has Thornhill divided by Yonge Street. They said, "East of Yonge Street will be Markham, west of Yonge Street will be Vaughan," and I think you really have to continue to look at communities. If there's going to be any kind of changes made, they can be done within a larger municipal governance, but try to keep communities together. I hope that is implicit in the kind of guidelines that are there.

I move to the subject of Highway 407, and 407 has been a major issue of great importance through our community for many years. It was mentioned in the fateful speech from the throne in May 1985 when Mr Miller was Premier for a short time. I was chair of a task force on transportation so I got involved with the importance of that part of our infrastructure from 1985 to 1987, and it became an important part of everything that we were doing, certainly within the Legislature. I'll never forget the day that Bill Wrye made the announcement of Highway 407. Were you here then, Gerry? I think you were.

Mr Phillips: I might have been.

Mr Cousens: I think you were. You were, come on. He was part of the Peterson cabinet and you were in it.

I was the only opposition member who stood up in the House to applaud that decision, and I remember with great satisfaction the fact that the government had finally launched 407. I also go ahead to the days when Mr Peterson turned the sod for it in 1987.

I also appreciated the fact that the NDP government kept it on the road. I followed very carefully the Ontario Transportation Capital Corp hearings and have continued to watch its evolution and am pleased that it succeeded in passing the financial test by Mr Eves.

I think that the 407 has been on track and will be on track. Certainly all three political parties in the last three governments have had a say in it.

In reviewing Bill 26, I have to go on record as being one that's supportive of a number of the legislative amendments that are included in there. I think it's worthwhile saying I have been asking for years how the toll system is going to work, not liking the toll system necessarily but knowing that it's the only way we're going to be able to pay for it. Certainly the previous government saw that as a way of subsidizing infrastructure. People will pay for what they need. So the toll system became something that certainly the caucus I belonged to at the time supported and now, as the mayor of a municipality, we see it as one of those essential ingredients to maintaining Highway 407.

I've gone through again continuing to monitor 407, and I think the plans for the toll system make an awful lot of sense. I think the amendments which will permit the system of a toll device, the electronic nature of it to communicate the fact that someone's on that road makes an awful lot of sense. Instead of having the kiosk and some of the ways in which tolls have been collected in the past, we are making good use of technology.

I think that the approach for billing and collection of toll charges is also very, very sensible. You're not expecting people to use a service and then not have to pay for it, so I think what it means is that the corporation will have the ability to charge interest and collect the money that's needed. I think we in society have to continue to make sure that people understand their own responsibility when it comes to doing things.

Also, when I looked at the bill, the fact that there is a dispute mechanism—sometimes people want to just sort of keep fighting even when they're wrong. I think what this bill does is say, "Okay, go through to the corporation and if you're not satisfied, you can go to the registrar of motor vehicles to have your issue addressed."

I also have to see the way in which the toll debts will be collected. Again, how else are you going to do it without saying "Hey, there has to be some way of making sure that levy is collected.

The fifth part of the bill which talks about reciprocal agreements with other areas—we've seen it with subsidies, with people paying for their children. They move out of the province, they get to a jurisdiction where they don't have to do it. We've got to make sure that what goes on in Ontario protects the rights of all Ontario citizens.

When I looked at the whole part of the bill, as well as the Highway Traffic Act amendments, again, it makes sense. I didn't know how they were going to do it, but again, new laws for new times and new circumstances, and the fact that people will not be able to obstruct their licence plates makes sense. This special kind of toll device, I think, is probably going to be one that's developed by a company in the town of Markham, but we're open to some other competitive device that'll be used. But I've seen the one and it's been used in China and other main highways around the world and it certainly makes it a lot easier to identify the vehicle through the electronic reading technique.

The fact that the bill now makes it very clear that there won't be any evasion—I think people who are paying want to make sure that everyone who's on that road is going to be facing the same costs; and the selling of evasion devices, the fact that that's going to be restricted, again makes an awful lot of sense. We just have to be in a world in which government is running its business more like a business and what I've seen happen in this bill has identified the way in which the new corporation is trying to run it. The government is trying to run the highways and the toll system as a business.

So when I review this part of the bill, and I have to admit that my interests are far more narrow now than they were before, I see it as a very meaningful set of statements that will help us go into the future. In the future, I hope this government will certainly watch the cost of the tolls. I think that's one thing we wanted to do.

It's been a concern I've had from the beginning, when we knew there was going to be a toll road, that the costs have to be very competitive, so they're not so high that people won't use this highway—trucks, transportation, anyone that's using it—that it continues to be an attractive alternative to the other roads that are nearby, and also that the 407 continues to be expanded.

I'm not sure of where they are going to take it on the west end, but may it continue to be expanded east of Highway 48, and the previous government did announce that it would go to Highway 115. Any effort to keep that highway moving east, and west, so that it does become another major link within the province would make an awful lot of sense to me.

Mr Chair, I could say more but I know you're going to want to get back on time. I appreciate very much just having a few moments to touch on a few of these issues. I thank you.

The Chair: Thank you very much, Mayor Cousens. We're going to have four minutes a side, starting with the government side.

Mr Ernie Hardeman (Oxford): Good morning, Mr Mayor. Obviously you spoke slightly to the local autonomy issue, where the province is passing more local autonomy to the municipalities. Part of that local autonomy of course is the issue of user fees. There has been some concern expressed, in fact, how far those user fees may or may not be going and the minister's ability to disagree or by regulation to retract the authority on certain user fees. Do you see any problem with your municipality going beyond what would be a reasonable position on user fees and then giving the minister the ultimate decision of something that was against the best interests of the provincial population?

Mr Cousens: Our municipality has always had some form of small fee out there. There's no free transit, you pay for that, and we've had people paying to use our arenas and our facilities so that they're in a break-even position anyway. So the town hasn't been able to provide the excellent services without at least getting money back.

0920

Interestingly enough, we collect $36 million in taxes a year, and we collect $36 million in fees for services and other costs for licences and so on within the town. So it's an interesting breakout. It isn't all a tax dollar.

But you know the one thing that comes through, Mr Hardeman, is that we have to be competitive with other municipalities. The last thing we would ever want to do is to start levying extra costs for people to be in our community, because we want to make sure that it's more attractive for them to settle there than in a neighbouring community. We're not given too many opportunities to promote ourselves by giving extra incentives to come to Markham, so what we have to do is make sure we're running a lean-and-mean administration, that the costs are kept down, the taxes are kept down, so then people are going to want to come there.

If we start raising taxes even more to the people that are there already, they're going to move away to another municipality. So market forces are a tremendous levelling force for a municipality to keep things under control.

The worry that some people have that we're in danger of levying more costs and fees I'd say is unfounded, on the basis of the way the market has to be run.

There are ones, though, that I would like to see us levy. I think when people come through town, if their car breaks down or they have a fire and we end up having to have special services that are used, I think there may be some ways in which we can recover some of the cost for situations like that. I don't think we have any desire to try to levy any new sets of taxes at all—if we can, try to keep them down all the way.

The one that I worry about a lot is garbage taxes where people are going to charge for that, and it's being done in some municipalities. I'm finding the same with tires. They start dumping tires elsewhere because they have to pay so much to get rid of them. We've got to be smart to keep the costs down.

The Chair: Sorry, Mr Hardeman, that exhausts the time for questioning. Now to the opposition.

Mr Phillips: I appreciate your comments. You're a strong supporter of the bill. Because this bill is so

important to Markham, I gather, how much time has council had to discuss the bill and when they discussed the bill, did they express any concerns at all about the bill?

Mr Cousens: I think we've had a number of conversations about the bill.

Mr Phillips: Have you had a meeting on it?

Mr Cousens: We've had a number of sessions in which we discussed it. We didn't have a formal council meeting on it, but, as a council, we have taken the time to look at different elements of the bill, and have considered just what its impact is. What we're trying to do, as much as anything, is to see what's coming down the way with future changes to get a sense of the way it impacts us. It does impact every community; my hospital board which I'm on is interested in how that impacts.

Mr Phillips: That will be useful. I gather you've had the public meeting on it then, and that's helpful.

Mr Cousens: I did not say we had a public meeting on it. I've indicated that members of council have had some sessions in which we've discussed the bill, but we have not had a public meeting on it. I know we will be having meetings on certain elements of the next steps of the bill.

Mr Phillips: That'll be helpful. But you won't get another chance to tell us the outcome of that.

Mayor McCallion was here two days ago, and said that her legal department had reviewed the bill and had concluded that the bill permits local municipalities to implement a gas tax, a sales tax; in fact, she said, yes, and a head tax, a poll tax. "I can tell you," she said, "when we discussed integrated transit in the greater Toronto area"—and I assume you were involved in that—"the only way that we can have integrated transit in the greater Toronto area, and we discussed it, all the municipalities, was with a gasoline tax. We would have to ask the government to pass that, but now we have the opportunity to put it in."

Is your legal department in agreement with Mayor McCallion's view that this does permit a gas tax? And were you part of those discussions that said that for an integrated transit system, the greater Metro Toronto area would have to have a gas tax?

Mr Cousens: On the latter part I have been, and in the transit integration committee among mayors we have looked at that as an option and have asked that consideration be given to such a prospect. But I think we're also concerned with another tax coming out, so that in asking the question, we're not committed to that as being the solution to it. There have to be a number of ways in which we look at how we pay for transit.

Mr Phillips: Did your legal department agree that the gas tax was possible?

Mr Cousens: No, our legal department has not been asked to look at the bill and that part of it, so I do not have a sense of it. My own personal feeling is that we are not interested in claiming certain parts of the bill that are going to give us the right to start taxing people in more different areas. I think we really have to be careful on extra fees and extra charges in these things. There may well be a stage in which the government, in consultation with municipalities, will see that there's an area where we can collect some extra money, and it may well just be in service charges, but I think we all have to be very, very careful. I'm sure Mississauga has to be careful.

The Chair: Excuse me, Mr Phillips. I'm sorry, we've come to the end of your time. The third party: Mr Cooke.

Mr Cooke: I will try to ask a couple of questions. I'd ask the mayor if he could just be a little shorter on his answers because I think Tony has a question, too.

First of all, I want to thank you for your objective analysis of the bill that you've given us so far. I am assuming at this point you're speaking for yourself, because from your answer to Mr Phillips you haven't had a legal analysis of the bill and you haven't had a formal discussion or position taken by council.

Mr Cousens: It's safe to say that I am speaking very much as the mayor of Markham and as one who has the feeling of the consensus that would be within our own council.

Mr Cooke: Do you think there would be a consensus on your council if they were to understand, as the mayor of Mississauga has said her legal department confirms, and the city of Toronto says its legal department confirms—those are two that come to mind immediately—that this bill gives the right to municipalities to have income tax, gas tax and retail sales tax? Do you think there would be a consensus in Markham of support for this bill if they knew that another level of government was being given that form of tax?

Mr Cousens: I think council understands the need to find new revenue to do new things, but as far as the way in which we run the town of Markham is concerned, we understand the only way we can be successful is to do a better job than—

Mr Cooke: That's not what I asked. I'm asking if—

Mr Cousens: But you are.

Mr Cooke: No, I'm not. I'm asking you if your council and the members of your community would support another level of government being given those three forms of taxation. I'm not sure that you want to give a straight answer to it. Let me ask you one other thing on an issue that you have raised, the whole question of municipal restructuring and the powers that are under this bill and your claim that they're fairer. Can you just very briefly tell me how this empowers local communities to restructure in a way that the previous legislation didn't when, in fact, if you've read the bill and had an analysis of the bill by your legal department, you would know this gives more power to the Minister of Municipal Affairs and Housing and the provincial government to unilaterally act to restructure municipalities without ever having to come back to the Legislature—more power in that process than has ever been the case in the history of the province.

Mr Cousens: I disagree with you strongly.

Mr Cooke: You haven't read the bill then, Don.

Mr Cousens: I've read the bill, and I'm telling you I saw what you did as a Minister of Municipal Affairs with Tiny township. I'll tell you, there was nothing pleasant in seeing what you did because, having it go through the Legislature, there was no opportunity for us to discuss the issues of that bill with you and certainly you didn't deal with them and you didn't respond to them.

Mr Cooke: Mr Chair, I think, just for the purposes of the mayor, he should understand that there will never be a debate in the Legislature again because cabinet can now do it and it won't bring a bill to the Legislature.

Mr Cousens: If I may put in, Mr Chair—

Mr Terence H. Young (Halton Centre): Mr Chairman, on a point of order—

The Chair: Thank you, Mr Cooke and Mr Cousens. Your half-hour has expired. I want to thank you for appearing today in front of the committee.

Mr Cousens: Thank you very much. It's been a pleasure.

Mr Young: Mr Chairman—

The Chair: There's nothing out of order.

Mr Cooke: If you're going to come here, you've got to give an objective view.

Mr Cousens: I gave one. You have to learn how you were so unobjective when you were a minister and there wasn't any chance—

Interjections.

0930

PROVINCIAL FEDERATION OF ONTARIO FIRE FIGHTERS

The Chair: Can I please have representatives from the Provincial Federation of Ontario Fire Fighters come forward? Welcome, gentlemen. Before we begin, I'd just like to ask the folks in the gallery and members of the committee to hold their side conversations to a minimum. Each presenter only has half an hour, and with respect to their opinions, I believe it's fair for us to hold those conversations to a minimum.

Welcome this morning, gentlemen, to the standing committee on general government. You have half an hour to make your presentation and you can use that time as you see fit. Most presenters choose to leave some time at the end of their presentation for a response to questions. I would appreciate it if you would, for the benefit of the committee members and for Hansard, read your names at the start of your presentation.

Mr Bruce Carpenter: Thank you very much. My name is Bruce Carpenter. I'm the president of the Provincial Federation of Ontario Fire Fighters. To my left is my colleague Mr Elliott Hastings, who is the 13th District V-P for the International Association of Fire Fighters and on my right is my colleague Mr Bob McWinnie. Mr McWinnie is the research analyst for the Provincial Federation of Ontario Fire Fighters.

Member of the committee, I would initially like to thank the committee for the opportunity to appear on behalf of the Provincial Federation of Ontario Fire Fighters. My name is Bruce Carpenter, as I already said, and I am its president. Our federation represents 4,900 full-time firefighters across the province of Ontario. Our member locals have entered into collective agreements with over 30 municipalities, from the city of Toronto in the greater Toronto region to Valley East in northern Ontario.

We have some serious concerns with Bill 26. The omnibus bill, as I am sure the committee is aware, contains more than 200 pages, 17 schedules and alterations to over 40 separate pieces of legislation. We believe that it is quite regrettable that, had it not been for the extraordinary tactics of the opposition parties in the provincial Legislature, Bill 26 would be law today with absolutely no public input whatsoever, and we congratulate Mr Curling on that.

The Provincial Federation of Ontario Fire Fighters has, to a considerable extent, found Bill 26 overwhelming. It seems to go far beyond the provincial government's economic statement of November 29, 1995. This omnibus bill grants the provincial cabinet and non-elected bureaucrats the authority to make decisions bypassing the usual and traditional safeguards inherent in our democratic process. Hopefully, other affected groups will have the resources to fully study this bill and expand on the issue in more detail.

On schedule M, ministerial/commission power to restructure municipalities: The Provincial Federation of Ontario Fire Fighters is concerned that schedule M will empower the Minister of Municipal Affairs to restructure or amalgamate existing municipalities unilaterally with little or no public input. The minister could, simply by regulation, alter existing municipal boundaries and services that are now provided by the municipality as opposed to regional bodies. Thus, firefighting could, at the stroke of a pen, be provided regionally where presently it is a municipal jurisdiction. The Solicitor General could not give our federation any assurances about what would happen to collective agreements of firefighters who may be amalgamated due to schedule M.

We have no doubt whatever that the Association of Municipalities of Ontario will interpret it to allow them to decimate our collective agreements. It has been difficult for some of us to come to grips with and comment on the full impact of schedule M due to its ambiguity. If our members are going to be affected by amalgamation or regionalization we require a vehicle for our participation. This schedule is simply too rushed and general in nature for us to study and effectively comment on. We therefore require more specific information and time to digest the full implications of schedule M. We do, however, believe that the responsibility for the fire service should remain with the Ministry of the Solicitor General.

On schedule Q, amendments to various statutes with regard to interest arbitration: If we are somewhat unsure of the implications of schedule M, we have no such confusion with regard to schedule Q. Having presented our own boards of arbitration for as long we can remember, we do understand the devastating effect schedule Q will have on labour relations, interest arbitration and, in our opinion, public safety in the fire service.

Bill 26 amends the Fire Departments Act to require arbitrators to consider five criteria when writing their awards:

(1) The employer's ability to pay in light of its fiscal situation.

(2) The extent to which services may have to be reduced if the current funding levels are not increased.

(3) The economic situation in Ontario and in the municipality.

(4) A comparison, as between the employees and other comparable employees in the broader public sector, of the

terms and conditions of employment and the nature of the work performed.

(5) The employer's need for qualified employees.

We would like to point out that the Fire Departments Act has been under review for quite some time now by the Fire Services Review Committee. This committee has been established by the Ministry of the Solicitor General. It is comprised of stakeholders representing firefighter associations, fire chiefs, the Association of the Municipalities of Ontario, volunteer firefighters and the Ministry of the Solicitor General.

The chair of this committee, the fire marshal of Ontario, has just recently published a report containing a number of recommendations. Our association, along with other stakeholders, received this report from Solicitor General Bob Runciman on November 19, 1995. At this meeting, which lasted less than 15 minutes, we were told that we would be given until the end of the year, 1995, to respond. It was noted by the Solicitor General that no changes would occur to the Fire Departments Act until all the stakeholders were consulted and we could anticipate legislation as a "best-case scenario" by the fall of 1996.

In a follow-up letter from the Honourable Bob Runciman he noted:

"As you know, the fire marshal's report has been submitted to me and I have circulated it to the members of the committee for review and comment. This is the first step in a thorough review of the fire marshal's recommendations. I am confident that this will lead to a very positive legislative change for fire protection in Ontario."

In a video presentation prepared for a Provincial Federation of Ontario Fire Fighters' conference held in April, 1995, and just before the provincial election, Mike Harris, now Premier Harris, had this to say about the Fire Departments Act:

"We have serious concerns about some of the changes that are being contemplated with respect to the Fire Departments Act. Today, I simply want to leave you with my personal assurances. No changes will be made under a Harris government until such time as your members have been thoroughly consulted and we will insist that all changes be fully costed both from the point of view of the workers as well as management."

At this point I'd like to file that tape with the committee.

Mr Cooke: You had 15 minutes with the minister.

Mr Carpenter: I know. Given the above statements, we were surprised and unprepared when Bill 26 was introduced by the provincial government, and we had not yet at that time even given our response to the fire marshal's report, yet this omnibus bill clearly amends the Fire Departments Act with no consultation from firefighter associations.

I want to make it clear: We have not been consulted to this day on this by the Solicitor General.

It is ironic that one change proposed in Bill 26 is criteria for arbitrators, which isn't even mentioned in the fire marshal's report.

It is our submission to the standing committee that these criteria for arbitrators outlined in Bill 26 are a significant interference into the arbitration process affecting firefighter collective bargaining and they should be deleted from the bill. We would like to offer a number of reasons for our conclusions.

Ability-to-pay arguments render the arbitration process impotent since wages and benefits will be determined by the allocation of transfer payments rather than the merits of the case. Employers should not escape serious collective bargaining because of limited funding from the province.

Employers who fix their budgets in the first place will then argue that arbitrators are bound by the "ability to pay" criteria. This leaves little incentive for corporations to settle at the bargaining table since arbitrators will be bound to award in favour of the employer's position. This discredits compulsory arbitration as a system for resolving contract disputes.

The independence of arbitrators is brought into serious question. We believe that the best arbitrators, those with integrity, will opt out of the arbitration process altogether.

Financial mismanagement by municipalities will impact negatively on firefighters' compensation packages.

Bill 26 demands as one of the criteria that arbitrators consider the extent to which services may have to be reduced if current funding levels are not increased. This involves arbitrators in making the hard decisions respecting the level of emergency services to the community. In the fire service, where there is no legislated vehicle for mandatory fire protection, this criterion is especially irresponsible.

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If the citizens of Ontario are going to suffer reductions in fire protection, surely these decisions should be made by the municipalities and cities themselves, and not foisted on arbitrators. Those who provide a service should be held accountable for downsizing and should not be allowed to hide behind the arbitration process. Citizens could suffer a loss in fire protection and emergency medical services because of indiscriminate or ill-advised spending in other areas by municipal officials.

We have no doubt that any award that corporations do not agree with will be appealed to the courts for judicial review. Our local associations simply cannot afford court challenges, not to mention the undue time it will take to ever implement arbitrator awards.

The criteria dealing with employers' need for qualified employees open up a virtual Pandora's box. They will be used by employers to justify any and all encroachments into our collective agreements, from promotional policies to contract-out articles to layoff and recall clauses. It will be next to impossible for firefighters who have traditionally prepared their own briefs to boards of arbitration to cope with ability-to-pay arguments. Those claiming they do not have the ability to pay are some of the people who have been relied upon for financial information. Thus, arbitrators and firefighters cannot hope to be in a position to measure a public sector employer's ability to pay.

Taken as a group, these five criteria are devastating and unacceptable to our federation and the 4,900 firefighters we represent. We have voluntarily agreed to a moratorium on our right to strike, because we acknowledge that our special services are critical to the commun-

ities that we serve. In place of that strike weapon, firefighters have been furnished with legislation that ensures a just and independent arbitration system. It should not be tampered with.

Criteria for arbitrators and ability-to-pay arguments have long been sought after by the Association of Municipalities of Ontario. They base their concerns on the allegation that arbitrators' awards are out of line and excessively generous. This is without question not true. Interest arbitrators have consistently implemented their awards to replicate what would have occurred at the bargaining table if a settlement were negotiated. Accordingly, they rely on freely negotiated settlements for their comparables. Thus, in Metropolitan Toronto, there is a wage spread of less than $350 per year between six fire departments, two of which have not been to arbitration in the past 13 years.

Below are the data setting out various years that the Provincial Federation of Ontario Fire Fighter locals have taken advantage of interest arbitration process under the terms of the present Fire Departments Act. That's found on pages 14 and 15 of our submission. It can be readily observed that the vast majority of contracts have been successfully concluded by the parties at the bargaining table. We have chosen a time period from 1980 to 1992, a span of a full 13 years. We have not included statistics since 1993 because Bill 48, the social contract legislation, has effectively stalled interest arbitrations.

A number of conclusions can be drawn from the attached data. Nine of our locals have not been to a board of arbitration in the past 13 years. Each and every one of our affiliates has signed agreements at the bargaining table more often than they have resorted to arbitration. At least 85.1% of the agreements are reached at the bargaining table. If, as AMO submits, the system is stacked against the corporations, we would expect to see firefighter locals using arbitration to a much greater extent.

Also, in the less than 15% of cases that proceed to arbitration, a large number of awards are unanimously agreed to by the arbitrator, the association nominee and the corporation nominee. The arbitration route is resorted to in less than 15% of all cases. When negotiations break down, it is because the parties have failed to agree. This is simply the result of both sides being unable to come to an agreement, not necessarily the firefighters rushing off to boards of arbitration.

The system therefore clearly works, in the overwhelming majority of cases, for both the firefighters and the municipal corporations.

In conclusion, on behalf of the Provincial Federation of Ontario Fire Fighters, I cannot overstate how strongly we are opposed to Bill 26, and schedules M and Q in particular.

Firefighters have for decades provided an essential service and we have developed a special relationship with our communities. We are consistently rated at the top of any survey conducted dealing with citizen satisfaction with government services. As a profession and an association we have given thousands of hours of unpaid volunteer labour and raised literally millions of dollars for local charities, including hospitals, burn units, battered women's shelters, children's charities and many more. Firefighters have not only been employees, but have also given of themselves to protect and make their communities more compassionate places to work and live.

We believe Bill 26 is not only a threat to our collective bargaining rights; it is also so unjust that it puts into jeopardy the special relationship that exists between firefighters and the citizens of Ontario.

These five criteria for arbitrators are not merely a tool to enable municipalities to better cope with funding cutbacks. They are, we submit, irresponsible, ideologically motivated and wrongheaded. They will allow our employers to decimate our collective agreements and they tilt what was a level playing field in firefighter collective bargaining. Funding cutbacks in emergency services such as the Fire Departments Act jeopardize not only the health and safety of our members but also the citizens of Ontario.

The five criteria for arbitrators outlined in Bill 26 allow us little or no opportunity to protect our members through compulsory arbitration. They are not in the long-term interests of firefighters, municipalities or the people of Ontario. Our federation and firefighters in Ontario will resist to the best of our ability this unfair intrusion into the arbitration process.

We propose and ask this committee to rescind, if not the whole of Bill 26, then certainly schedules M and Q where they pertain to the Fire Departments Act.

I thank you for the opportunity to appear on behalf of the provincial Ontario firefighters.

The Chair: Thank you. We have about four minutes per caucus. We'll start off with the opposition caucus.

Mr Alvin Curling (Scarborough North): Mr Carpenter and colleagues, I want to thank you for your excellent presentation. As you were speaking and I looked through your presentation, here on page 6 it struck me what you had written and what was said. I have to ask you this question, then: Do you think you were lied to by Mr Harris and Mr Runciman?

Mr Carpenter: I think we were seriously misled.

Mr John Gerretsen (Kingston and The Islands): In dealing with schedule M, are you concerned at all that this may be a movement to allow municipalities to in effect privatize their fire forces? Is that a concern of your organization?

Mr Carpenter: It's very much a concern of our organization. I think that's moving back towards the 1930s and the aspect of contracting out, of privatization, of user fees. I absolutely believe that's where this is moving and I think it's the wrong direction for this province to be heading. I believe now that the fire service offers a more than excellent service to the community, and I think the citizens of Ontario in every municipality understand what they're getting and what they're paying for.

Mr Gerretsen: Having been a mayor of a municipality a number of years ago, I know where all this comes from. It comes from the notion that people out there somehow think, or some people anyway, that firefighters are paid too much and this is one way in which we can keep the salaries down, or the system keeps it down. What kind of comments do you have on that?

Mr Carpenter: I don't think there's any doubt about that. The history of the Association of Municipalities of

Ontario has been exactly that. It's been an attack on firefighters continually over high wages, and I simply don't believe that is true. Firefighters have justified their wages at the bargaining table and at arbitration for a number of years and there are some very astute people, arbitrators and city officials, who have agreed with that and have freely negotiated collective agreements. So, yes, I believe it is an attack on our wages and that municipalities see them as inflated.

Mr Gerretsen: What do you see for the fire services in the 21st century? Do you see any additional services being done by fire forces in general than what they're traditionally doing right now?

Mr Carpenter: I do. Prior to this bill, and hopefully it will continue on, I see the expansion of the fire service into automatic defibrillators on our vehicles. Our locals are very involved with their municipalities and in a lot of cases have been the initiators of automatic defib on the vehicles. I see that as a service that is needed. We also, as you probably know, respond to automobile extrication, hazardous material spills and a number of other emergency and medicals, notwithstanding the fact that we still respond to fire calls. So I see the fire service as expanding. I see this as negatively affecting that expansion, and I see these as services—and I don't think I'm wrong—that communities want.

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Mr Tony Silipo (Dovercourt): Thank you, Mr Carpenter, for your presentation. As I'm sure you know, we heard also last night from the Ontario Professional Fire Fighters Association. We heard very similar concerns. I know it's small comfort, but the point you made about the Premier and others misleading you I think we can certainly say applies to a number of other groups as well. The Premier also said there would be no user fees for health care, and there will be. He said there would be no cuts to health care, and there are cuts to health care. And we could go and on with the list.

Unfortunately, we're seeing what the Conservative government is doing relative to what it said it would do before the election. I found particularly useful the information that you've provided to us about the arbitration system because, as you point out, we're really only talking about 15% of cases where matters are referred to arbitration. The additional point that you make here is that even in those cases, there's a good number of them that are worked out in a unanimous way. It seems to me—and this is the first question that I have of you. Would it be stretching it to categorize what is going on here as simply wage controls by the back door?

Mr Carpenter: Yes, absolutely. I believe that is absolutely right. I believe the arbitration system, first of all, is fair and the collective bargaining system is just. Simply, firefighter associations across this province have done a better job in preparing for arbitration than the corporations have. I believe this is absolutely, as you suggest, a back door method of changing a system that is just and that works for everybody.

Mr Bob McWinnie: If I could just include this, when we go to a board of arbitration, firefighters present their own briefs. The only person in that room, generally, that isn't a lawyer or some kind of accountant is the firefighter giving his case. The fact that we've done a good job at that I think should be to our credit. If the municipalities haven't been able to compete—because there's nothing that says they can't introduce any evidence they want to introduce at a board of arbitration—it shouldn't be held against them. It's like saying we can't win in a fair fight so we're going to change the rules so that there won't be a fair fight any more and we'll get our way, and if we don't get our way at a board of arbitration, we'll take the award to court and the thing will never get implemented.

Mr Silipo: One of the other things we heard last night that I'd like to ask your comments on is the threat to safety that some of these changes might pose. A couple of examples were used referring to, I think, Mayor Lastman in North York, who said he'd slap a user fee on cars that would be involved in a fire in his municipality or have something having to do with fire alarms in high-rise apartments, and the danger this might pose when people, in order to avoid paying those fees, might take steps that would endanger their lives and those of others.

Mr Carpenter: I absolutely agree with that. I think that is human nature. I think that once a user fee is imposed on any service, by virtue of saving a dollar people are going to try and eliminate the fire or not report the alarm. I think that will happen—

The Chair: I'm sorry. I have to interrupt and we have to move to the government side for questions.

Mr Joseph N. Tascona (Simcoe Centre): Thank you, Mr Carpenter, for your presentation. I'd just like to address a couple of concerns of yours and perhaps ask you a question or two.

With respect to one of the criteria and your concern about service levels being determined by arbitrators, I'd just like to assure you that arbitrators are not to be given the power to order service reductions. Anything in terms of how the operation is going to be run is still going to be a municipality decision.

With respect to the ability to pay, I note your concern there in terms of the ability to pay in terms of the presentation and the evidence. We've had submissions on that and certainly there have been suggestions of an audited financial statement being provided and other mechanisms to make it a very fair and due process in terms of dealing with that factor; we've had submissions on that. With respect to the criterion, we've also had some that would go to another extreme. They say: "Well, you only say 'consider' the criterion. Why don't you say 'apply'?" That's something that we've been approached with in terms of saying, "Make it tougher."

But I'd like to deal with this "ability to pay" argument, because in your brief at page 7 you do make a comment, which I agree with, that "Employers should not escape serious collective bargaining because of limited funding from the province." Certainly they should be bargaining in good faith and making sure they get a collective agreement. I certainly note your comment that settlements are the norm with respect to the firefighters. That sort of leads me to the question why you would be fearing arbitration if you do settle your agreements.

But I would just like to comment on the ability to pay. Certainly ability to pay has been a relevant factor for

arbitrators to consider. Certainly all we're doing is merely codifying it, and it's in other jurisdictions of this country to deal with mandatory criteria, and the purpose of it is certainly to control costs, but it's also a safeguard of the public interest.

So given the fiscal problems that we have as a province, given the level of funding that's going to be going to our transfer partners, specifically municipalities, I'd just like to ask you, how is it unreasonable to have arbitrators consider the ability to pay, and if it's not, what would you suggest to this government to do to deal with the financial crisis that we're in?

Mr Carpenter: You've raised a number of questions, sir, and I'd like to respond to them.

Mr Tascona: That's the only question I want you to respond to.

Mr Carpenter: Well, first of all, the aspect of ability to pay has been considered by arbitrators historically, it has been written into agreements, and it has been consistently part of the corporation's submissions. Certainly the Solicitor General could not give us the same assurances that you're giving us here today. In fact, he was somewhat silent on the questions when they were asked of him today, and I don't have any confidence that municipalities, because of this legislation, will be forced in any way to submit to us or to give us figures that we can judge accurately, based on their ability to pay. I just do not believe that's going to happen.

So I believe that the "ability to pay" concept has been continuing on in this province and I don't believe that the financial situation that this province is in today is going to be helped whatsoever by including ability to pay in a mandatory arbitration process. I just don't believe that's going to happen.

Mr Tascona: Well, why not? Because our information is that normally arbitrated settlements are at least 2% higher than freely negotiated settlements. Certainly that's a significant statistic to deal with. How can we control our costs? How can we deal with this situation if ability to pay isn't considered, given the financial situations of the municipalities?

Mr Carpenter: Our statistics don't bear that out. I don't believe that collective bargaining or that arbitration by firefighters is 2% better than the norm. We just simply do not have those statistics. Our statistics show the alternative, that mandatory arbitration or the arbitration process replicates freely negotiated settlements in other jurisdictions.

Mr Tascona: That's not our information.

Mr Carpenter: I'm sorry, sir, it's mine.

The Chair: Gentlemen, time has expired. I'd like to thank you for appearing today in front of the standing committee on general government.

Mr Curling: Mr Chairman, just to you, sir, I wondered if we could get a copy of that tape shown to the committee or a copy be distributed to each of the members. It was presented in evidence here. I would like to know if the members could obtain one or have it shown here.

The Chair: That tape will be available for members to view on their own in the clerk's office.

Mr Curling: Can we get a copy of it, though?

Mr Phillips: Mr Chair, we were told by the government just a minute ago that they have information about the settlements being 2% higher. I wonder if that could be tabled. Also, we were told that the ability to pay has been codified in other jurisdictions for arbitration. I wonder if that could also be tabled, the evidence of that.

Mr Tascona: I didn't say it's been codified. There is criterion—okay?—that's considered in other jurisdictions, and I said all we've done is merely codify ability to pay, which is a factor that's been considered.

Mr Phillips: I'll read the Hansard.

Mr Tascona: You stand corrected.

Mr Phillips: I don't think it exists anywhere else.

Interjection.

Mr Phillips: It doesn't exist anywhere else.

Mr Young: Mr Chairman, on a point of order—

The Chair: Thank you, gentlemen, for your presentation. Can I have members of Parkdale Community Legal Services please come forward.

Mr Young: Mr Chairman, on a point of order: Standing rule 110(a) on committees says that "membership of such committees shall be in proportion to the representation of the recognized parties in the House." We've had four people from the Liberal Party sitting on the committee.

Mr Phillips: I want the media to hear this too.

The Chair: They can have as many people as they want.

Mr Phillips: Who are you trying to gag now?

The Chair: There are only a certain amount of members who may vote and are official members of the committee.

Mr Phillips: You don't want Alvin to be heard? Is that what you're saying?

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The Chair: Can I have members from the Parkdale Community Legal Services come forward, please. As Parkdale Community Legal Services isn't here and it appears we have half an hour on our hands, I wonder if Mr Phillips would like to move his motion.

Mr Phillips: Yes, I think this is timely. To get it on the record, I move:

Given the great numbers of groups and individuals who have expressed a desire to appear before the legislative committee to address their concerns relating to Bill 26, and given that all those who have or will still express a desire to appear before the committee cannot be accommodated over the time allocated to the committee to do its business,

That the committee request the House leaders to agree to extend the public hearings on Bill 26 to allow four weeks of hearings in the month of February, and

That in order to accommodate the government's desire to address their fiscal concerns, the government identify those portions of Bill 26 which must absolutely be dealt with on January 29, and allow the other portions of Bill 26 to continue to be subject to public hearings during the month of February and be dealt with when the Legislature reconvenes.

Mr Rob Sampson (Mississauga West): Mr Chairman, on a point of order: I don't pretend to be, eight months into this job, an expert on the standing orders of

this place, so I'd like to ask—I gather we're going to be debating this motion, if it's in order, sometime today?

The Chair: Actually, I'm going to make a ruling on this that this is done through—

Mr Sampson: I'd like to ask the clerk and the Chair to determine whether this motion is in order under the standing orders and, more specifically, the direction from the House.

Mr Silipo: Mr Chair, are you interested in hearing from members before you make a ruling on this?

The Chair: We can allow comment. How about we have a comment from each caucus and then I have a ruling and we'll go with that? Mr Silipo, would you like to go first?

Mr Silipo: I don't know what your ruling is going to be, but I hope you'll listen to what we have to say. I'm assuming that those who would argue that this motion may be out of order might say we have a motion of the House we are working under, which is accurate. But as I read this motion, it does not in any way conflict with that, because it's couched as a request to the House leaders and in effect to the House, because presumably whatever requests might come out of this committee would then have to be ratified by the House in order to deal with the directions this committee is functioning under as a result of the motion we passed on the last day of the sittings.

In that sense it's quite in order, as we see it, and the point being made in the motion, which we certainly support, is that it's become clear already in the first couple of days of hearings that people simply have not had a chance to look at this bill adequately and that additional time is necessary. This simply is a request to the House leaders and to the House to facilitate that, and in that sense it's more than in order, because it would not change what we would be doing. Presumably, we would continue to do to the work we've been doing, but also do it on the understanding that if there were agreement among the House leaders, additional time would be provided for us to continue the work of the committee.

Mr Sampson: I unfortunately don't have the motion that was tabled in the House in front of me, so I'm speaking only from memory.

Interjection.

Mr Sampson: No, I've got the one that was tabled here, but not the one that was tabled in the House with respect to our directions. My recollection is that we are required, in the last week of hearings, to do a clause-by-clause review of the bill and then report back to the House for its consideration. I don't know how that can be amended, with the exception of a further motion in the House.

Again, I haven't been around here long enough to fully understand the rules of the House, but my recollection from reading them some time ago was that that's the way the procedures work.

All I'm asking is that the Chair consider, and perhaps, if deemed necessary, reserve judgement on this particular motion and determine whether the motion is in order. If it is deemed to be in order, I would have to move a subsequent amendment to it that the committee convene as a whole, as opposed to the two subsections, to consider this particular motion and debate it further.

Mr Phillips: We specifically worded the motion so that the House leaders agree and that the committee requests the House leaders to agree; not that we schedule the meetings, but that we request the House leaders to agree.

The second thing that's become clear is that many portions of this bill are not time-sensitive. I think when the motion was passed in the House, there was a feeling that it all had to be done very, very quickly. It's clear now that there are some sections that, whether we pass them January 29 or the middle of March is irrelevant.

The third thing that's become clear is there's just far more people and groups that want to express their view than any of us had even contemplated.

I think this accomplishes all the things the government members would want, which is that the House leaders, including their House leader, have to agree; that the portions of the bill that you believe are absolutely essential to dealing with the province's fiscal matters are dealt with; and that it gives groups and indeed ourselves the time for a reasoned consideration.

I think it's in order because of the agreement of the House leaders, and I also obviously think it merits support.

Mr Young: I'd like to ask for a 20-minute recess.

The Chair: I'd like to put forward a ruling first on the motion. Actually, I guess I have to allow a recess when it's been asked for. A 20-minute recess.

The subcommittee recessed from 1006 to 1026.

The Chair: I would like at this point, before we go any further, to read a ruling on Mr Phillips's motion.

The motion is out of order because it is not in accordance with the December 12 order of the House under which the standing committee on general government is operating. Even if such a motion could be and then was passed by the committee, it could not override the above-mentioned order of the House, which has priority. That order of the House indicates that the standing committee on general government "shall report the bill to the House" on January 29, 1996, and that if it does not do so, "the bill shall be deemed reported to and received by the House."

Mr Phillips: Mr Chairman, you could be helpful to us, and I appreciate your ruling. It is still our caucus's hope that we can accomplish the objective we have in the motion. As you've said, you've ruled this motion out of order. Can you give us any direction on how we may go about achieving what we want to achieve in a way that would be in order?

The Chair: We can leave that to the clerks perhaps to discuss with you, at a point in time, on how that might be made possible.

Mr Sampson: Mr Chairman, if I may, maybe this is a topic for a subcommittee discussion, Mr Phillips, as to how we might accommodate the request.

Mr Phillips: I appreciate your ruling, Mr Chairman. We'll pursue attempting to achieve this in some fashion.

The Chair: I believe a similar motion has been moved and ruled upon in the other committee, and they've undertaken to do what you and I have just discussed.

Mr Cooke: Mr Chair, I don't have any objection to the subcommittee looking at the matter, but what we're concerned about is that there's going to have to be, at some point, some recommendation to the Legislature, specifically to the government House leader, saying that based on the numbers of presentations and the lack of time to accommodate people and to fully understand the implications of this bill, the government is going to have to make some determination. Sure, the subcommittee can talk about it, but I'd sure feel a lot better about the subcommittee talking about it if there was some indication from the government members that they were actually interested in hearing people and looking at accommodation that will lengthen the time and split the bill.

The Chair: Thank you.

PARKDALE COMMUNITY LEGAL SERVICES

The Chair: Returning now to regular business, if Parkdale Community Legal Services is still available, please come forward. Welcome to the committee.

Ms Coranne Plummer: Thanks. We're a little late, about eight minutes, but we're here now in full force.

The Chair: Unfortunately, because of that, I'm going to allow you 20 minutes for your presentation, and whatever time is left over can be used for questions.

Ms Plummer: Okay, that's perfect. Thank you.

The Chair: Could you please start by reading your names and your organization into the record for Hansard and the committee members.

Ms Tanya Lena: My name is Tanya, and I'm a community legal worker at Parkdale Community Legal Services.

Ms Plummer: My name is Coranne Plummer. I'm a resident of Parkdale, a single mom with a beautiful daughter; a little physically challenged, but she's doing great.

We're also part of 21,000 people who live in a 1.3-kilometre area. Granted, this was taken in 1990. We don't have enough money to make up new surveys or get new surveys, or volunteers or whatever. So you can just, par for course there, add on the interest. So 93% are renters in households; and one third, if not more, pay 30% of their household income on rent. We don't have much money. We are a diverse community and we take care of a lot of things. We take care of the ex-psychiatric survivors in our community. There are also a lot of other things that are usually thrown upon us, and we do our best to deal with that.

We have a few community centres that help out. A lot of it is on a volunteer basis. There aren't really people who are staffed to take care of a lot of our community. A lot of it is done on, like I say, volunteerism. There is a lot of that going on. Everybody is talking about communities and getting together and everybody helping out their fellow person. Well, we're doing that, and it seems that people are trying to pull the rug from under us.

We are, like I say, a diverse community. We have small businesses in the area, and they are really being affected by the cuts. I mean, cuts are hitting everybody, we know that, but we're really paying for it. It's not so bad everybody getting cut, but it should be the big guys too. You know, you guys should help out as well, and Mr Harris, who's talking about giving himself a raise and, "Oh no, maybe I won't," but he still makes too much money, as far as I'm concerned.

Education also—just the whole fact of we need a lot more, or at least keep what we do get from you guys. If we could get a little extra, that would be great. Just don't give us any less than what we have, because we're working on empty as it is. We have a sensitive community and we have a lot of people to help and take care of there. With all these cuts and stuff, everybody is pulling their hair out, but we are still keeping together. We are a very close-knit community and we do take care of people that are in our area. So we will manage, but to do it just as we are doing it with a little bit of extra help would help. These user fees and stuff—we can hardly afford anything as it is. User fees aren't going to help us at all.

Ms Lena: Before I start, I just want to give you a bit more context about Parkdale, because you may not be familiar with the area. In Parkdale, 39% of the families are single-parent families, and 32% of the families in south Parkdale also have incomes below the low-income cutoff. This is 1990, and the figures are much higher now. Some 43% of the people living in our area report that their mother tongues and first languages are not English or French, and 13% of the population have university degrees, which is compared to 25% in the city of Toronto overall. So the level of higher education and access to education is very, very low in this community.

Ms Plummer: Besides, tuition fees are too high.

Ms Lena: Yes, tuition fees are too high. That makes education inaccessible. The largest concentration of jobs held by south Parkdale residents is in manufacturing industries; 19% of people are employed in manufacturing. The next concentration is small business. The point that we want to make here is that the small businesses and the landlords and those other sectors of our community are also suffering dramatically as a result of the cuts that have already happened. It's in that context that we want to evaluate what this new omnibus bill is going to further do to our community.

The other important thing is that 23% of the youth who wanted to work in Parkdale were unemployed in 1991, and the figures are now, again, much worse. Approximately 7,000 people in our community of 21,000 were living on family benefits allowance or general welfare assistance—34% of the residents. That was in 1993; now we think the numbers may be over 10,000. So you're looking at a community that's been completely devastated by what the government has already done.

In terms of the bill, there are some specific things that we find extremely disturbing. The first thing, which Coranne has mentioned, is the user fees. These user fees obviously could extend to things like garbage, street lighting, our libraries, parking, community recreation and community information centres. If people have to pay for these things in Parkdale, they simply will not be able to use them. That's what we're looking at. Even if the fee is $2 a shot every time you borrow certain things from the library or use an information service, it means that people will not be able to afford it, because you're looking at 10,000 people who are trying to survive on

welfare. With the rents in Toronto, that means they have about $50 above that to survive on per month. They're not going to be able to use libraries, swimming pools and community recreation centres, they're not going to be able to pay for garbage collection. So if you want to think about the consequences of that in terms of health in the area, they're pretty drastic. In terms of charging user fees, this is a particular aspect of this legislation that will destroy our community even further.

The same goes for the other things—parking, libraries. In a community where 43% of the people are immigrants, relatively new immigrants, community information centres are a vital, vital link for them. They've already received cuts in previous pieces of legislation since September, so if there are user fees now attached to these community information centres, people who need that to know where to get their welfare, where to get a legal clinic, where to find out about jobs or possible training options, they will not be able to afford to access that. These small parts of this bill can completely disempower these people.

The other thing that we strongly object to is the part of the legislation relating to freedom of information. If there is a user fee charged for accessing files and personal information, again, people will not be able to afford to do this. You already have a situation where people cannot afford to go to university, can't afford to break out of a cycle of long-term poverty and are already living with very, very limited information about what goes on in these higher levels of government around them. To then charge people money when they do demand to know something means that of course that information is going to remain absolutely inaccessible to them. We see this as a way the government can make itself completely unaccountable to its public, in neighbourhoods like Parkdale in particular, through this legislation.

The other thing that we feel very strongly about is that these consultations are absolutely inadequate on a piece of legislation of this scale. What you need to do, if you want to actually appear to have consulted with the public, is to go into communities and hold town halls and hear what people are experiencing as a result of what has already happened and what will happen under this omnibus bill. To have a week of consultations in Toronto, where community groups receive—I got 24 hours' notice for this, absolutely inadequate when people are coming from legal clinics where you deal with clients who are in crisis all day and where people in the community don't even have the basic information to come forth and make a deputation on it.

We've been doing a lot of work trying to tell people what's going on. You give people 24 hours to get together a presentation; it simply will not happen. It's not consultation. You will end up consulting with groups that are professional advocates and that'll be it. That's not a public consultation. This group needs to have more hearings in Toronto and perhaps needs to go outside of the Legislature into the communities to actually find out what the consequences of what you're doing are.

Interjection.

Ms Lena: Yes, it's very insulated where you are right here.

Those are the main objections that we have. We also have basically come here to register our complete objection to the government taking all these powers to itself and trying to pass such diverse legislation in one go. In other countries, this would be called dictatorship. That's what we have to say, and we're open to any questions if you want to know more details.

1040

The Chair: Thank you. We have just over two minutes for each caucus, starting with the third party.

Mr Cooke: Thank you for coming before the committee with very short notice. I just want you to know that we certainly agree that there should be more hearings in Metropolitan Toronto. I think the intention of the government was to try to cram the Toronto hearings in just before Christmas, and then they said there couldn't be any more hearings in Toronto after, that it was only travel for across the province. It's not something that we're particularly happy with.

I wanted to get an understanding from you of a couple of things—I'm going to list them and then just leave it to you—just in terms of access to information on this bill. How did you get a copy of the bill? Were you able to get what we call a compendium or the background material on the bill? Were you able to access any of that? If you got a copy of the bill, did it cost you money for the bill? Because that would be a problem for people in your community, to be able to go and buy that material.

I wanted to get an idea, just have you expand a little bit on what user fees would do to you, to members of your community. You mention libraries, and I think it's particularly important for the kids in Parkdale that user fees are going to be a huge barrier to access. Even if the user fees are very low, it becomes a psychological barrier that makes it very difficult.

Then, not completely related to this bill, but what is going on in your community at this point in terms of evictions from rental properties, which I think are beginning to show in other parts of the province as a result of the social assistance cuts?

Ms Lena: I'll respond to the first point. How did we get a copy of the bill and did we have access to any background materials? As far as the background materials are concerned, no. The only way that we got a copy of the bill was that the legal clinic is next door to the clinic resource office for Metro Toronto and they received copies of the bill. So that's to say that the legal clinic got a copy of the bill, has access to that. But in terms of the community having access to that, they get it in so far as we can reproduce it in a comprehensible form, because these pieces of legislation are not written in plain language, or certainly not language that new immigrants can easily understand. Part of the work that the clinic does is to try to tell people what's going on, in public meetings. That's why I'm saying 24 hours' notice for consultation is absolutely ridiculous. The clinic—

The Chair: Sorry to interrupt, but we have strict time lines on how long each caucus gets. We have to move to the government caucus.

Mr Sampson: What has been the trend in the welfare rolls in Parkdale over the last number of years?

Ms Plummer: The trend? Like it's trendy?

Mr Sampson: Has it been up or down in the number of people?

Ms Lena: They've been increasing because of people losing their small businesses and because of what's been going on in the manufacturing sector. The other thing is people are casual and contract workers. They're not always eligible for UI, so welfare is what their option is? It caused a big increase in the welfare rolls.

The other thing that we've seen at the clinic, a huge increase over the last two months, is people being cut off welfare, because of either perceived violations around a spouse in the house or supposedly other forms of income which usually don't exist, but people get cut off.

Mr Sampson: So Parkdale has suffered a general increase in unemployment over the last number of years?

Ms Lena: Yes, huge.

Mr Sampson: So Parkdale hasn't terribly benefited from the job creation programs of the previous government, clearly then, if job growth hasn't happened.

Ms Plummer: Anything we get, then it's cut.

Mr Sampson: Pardon me? No, but I mean there are job creation programs of the previous governments. Clearly Parkdale hasn't benefited, because you've just now told me.

Ms Plummer: Parkdale doesn't usual benefit in any way. We're the lowest on the totem pole anyway. Who usually hears about Parkdale?

Ms Lena: We have never seen the kind of crisis that we are seeing now in Parkdale.

Mr Sampson: Don't you then need a government to take another focus at how to create jobs and how it would particularly impact on Parkdale?

Ms Lena: If you can explain to me how you're doing that in a way that's relevant to Parkdale residents, I'd be delighted to hear it. I haven't seen it so far.

Mr Cooke: They're trying to help you with a 22% cut in welfare.

Ms Plummer: Yes. Did you get a 22% cut in your pay? If everybody got a 22% cut—

Mr Sampson: As a matter of fact, I did when I joined this job, but let's not talk about that.

Mr Cooke: Good for you.

Ms Plummer: Oh, so you went down from what? You're only making $50,000 a year? Please.

Mr Sampson: Can I ask you another question then? You don't see then any impact positively on Parkdale residents from us providing the other side of our balanced equation? One has to cut expenditures to try to create some economic growth and lower the burden of taxes on the province.

Ms Lena: We haven't seen any economic growth so far, though.

Mr Sampson: Second is to add some tax incentive to let people spend again. You don't see that the people in Parkdale would spend?

Ms Lena: People are losing their businesses.

Ms Plummer: They are losing their businesses.

Ms Lena: Let me answer your question. People are losing their businesses and that means income tax cuts are irrelevant to them if they're not working any more.

Mr Sampson: Aren't they losing their businesses because people won't spend?

Ms Plummer: We don't have any money to spend.

The Chair: Mr Sampson, I'm sorry, we've exhausted your time. We must move to the opposition.

Mr Phillips: Because you know your community so well, Minister Leach was here on Monday talking about the fees that are going to be charged. He said: "I was very encouraged to hear that there will be corporate donors to sponsor such activities as library use, ice skating and swimming for underprivileged children. Statements like this convince me that our trust is not misplaced." Do you think you'll be able to line up enough corporate donors to make sure that underprivileged children in Parkdale have access to libraries?

Ms Plummer: Well, no, and why is it up to all the businesses and everybody else who's trying to make it? Why doesn't the government do something? Once the government's in the business to do something—take for example the airlines: "Oh, it's not quite working. We'll sell those off." You always sell off or get rid of things that just aren't working to your pocket.

Mr Phillips: It's not my idea.

Ms Plummer: No, but you're part of this group.

Ms Lena: The other thing is, with Parkdale children, a lot of them are starving, because there are 10,000 people there and a lot of them are families living under the poverty line. Given that people are starving, they're not even in a position to negotiate for getting corporate sponsors, and from the point of view of a corporation, we're not a very attractive community.

Mr Gerretsen: Have any corporations come forward?

Ms Lena: No, not so far. I would know about It.

The Chair: Thank you, ladies, for coming. I apologize, I'm sorry there was the problem with the time.

Ms Plummer: Okay. You guys got to get into where the people are, instead of behind these desks.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair: Could I please have members of OPSEU come forward. Good morning and welcome to the standing committee on general government. Sorry for the delay. You have 30 minutes for a presentation. You can use that time as you see fit. You may wish to leave some time at the end of your presentation for responses to questions from all three caucuses. I would appreciate it if at the beginning of your presentation, you'd read your name and your organization into the record for the benefit of Hansard and the committee members.

Ms Leah Casselman: My name is Leah Casselman. I am president of the Ontario Public Service Employees Union. With me today is Frank Rooney who is our coordinator of communications. You have before us our presentation on Bill 26: Power Over People; How Bill 26 attacks democratic rights in Ontario.

Our union represents approximately 110,000 members who currently work, pay taxes, live in Ontario, and those 110,000 people provide service to Ontarians. About 65,000 of those members of my union are in the interesting position of being directly employed by the Ontario government. In other words, Mike Harris is our boss. That puts OPSEU members in the Ontario public service

in a unique position in relation to Bill 26. Many of the provisions of this bill are aimed directly at us. OPSEU members paid by community colleges, hospitals, children's aid societies and hundreds of employers in the broader public sector are also directly affected by Bill 26.

OPSEU has concerns about every aspect of this bill which are contained in our brief. Obviously, I can only touch on a few in the short time we have today.

First, I'd like to say a few words in general about this bill. There's a question that's been bothering me since this government was elected, and that is, what's the difference between a majority government and a dictatorship? From watching Mike Harris in action, I get the impression that he would say that in a democracy voters get to choose their government every five years, but between elections, the government can do whatever it wants.

1050

This is a deeply impoverished concept of democracy. In this country and in this province, we have a long and very rich tradition of parliamentary democracy. At its best, parliamentary democracy is about discussion and debate. It is about pooling different ideas and perspectives in an effort to find the best possible solutions to political problems. It works best when all parties are willing to see both sides, bend their minds, throw off their mental chains, and in the end to compromise. That's not how government is working today.

It should not have taken last-ditch efforts by the opposition parties to get us to this stage where a small number of Ontarians get minimal time and input into this monstrous bill. Government members should hang their heads in shame.

I'm not the first to note that Bill 26 is in fact dozens of bills. Our first recommendation is that this bill be divided into appropriate chunks and discussed fully in a free and democratic way within the guidelines of our parliamentary traditions.

Now we've been told by Mike Harris, Ernie Eves and Jim Wilson that Ontario's fiscal situation is so bad that we don't have time for debate and discussion. In other words, we don't have time for democracy. This is heresy, complete and utter heresy.

In the first place, Ontario may have problems, but what jurisdiction in the world doesn't? But we don't have a crisis. The only crisis we have is the one that Mike Harris and ministers like John Snobelen are trying to create.

Even if we did have a crisis, democracy is still the best way to deal with it. They say Mussolini made the trains run on time, but Ontario does not want to pay the price that goes with that kind of so-called efficiency.

I'm sure there are even many Conservative Party members who realize that the government's emphasis on passing this bill quickly is really a con job. The need for speed is the shelter of the shyster. OPSEU is here to say, "Not so fast."

Let's talk specifics. Let's talk about schedule L. Schedule L deals with changes to the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act. Schedule L is theft, pure and simple. It conjures up bad memories of a very arrogant Conrad Black. We estimate that with the passage of this act this government will have already cheated public service workers of between $200 million and $400 million.

Apparently it's not bad enough that honest working people are going to be laid off. It's not bad enough that many will lose their homes. If Bill 26 goes through, many of our members will be robbed of their pension rights. The way the law works now, whenever an employer is downsizing rapidly, Ontario's superintendent of pensions can wind up a part of the pension plan to help people who are laid off. Instead of forcing laid-off workers to wait until age 65 to begin receiving an unreduced pension, a partial plan wind-up helps them access their pension at an earlier date and with a lower penalty. So if an OPSEU member is laid off a year or two before reaching their 80-factor date, he or she can start receiving an unreduced pension on their 80-factor date as if they'd been working up until that date.

Schedule L destroys this option. Schedule L takes away the power of the superintendent to make sure that workers who are losing their source of income can access their pensions. It gives this power to, alas, the Ontario cabinet. These pensions are deferred wages. They belong to the workers, not the government. The government has no right to block access to this money, and the government knows this. That's why schedule L states clearly that no legal action can be taken against the government for any breach of its duties in connection with the OPSEU plan. In other words, this government will be able to violate a signed contract, but it can't be held liable and it can't be sued. That's what it means for our members whose employer is the government.

Schedule L violates the current OPSEU pension plan act. It violates the sponsorship agreement between OPSEU and the government which set up the OPSEU pension trust. This tampering with our fundamental rights is a ripoff, it is a crime, and we are here to say, "Stop, thief."

The government tried in July to rip us off through a regulatory change. OPSEU challenged them in court. The government knows it will likely lose this decision so it's trying to overrule the courts with new legislation—very classy. So there's a warning to other ones here: Don't sign a deal with this government because they won't live up to it. A deal is a deal is a deal.

I have to underscore the fact that only Ontario government employees are being treated this way. Basically the government has legalized for itself what is illegal for any other employer in Ontario. This is wrong. OPSEU members want justice. If justice matters, schedule L should be scrapped in its entirety.

Schedule Q shows the same contempt for justice as schedule L. Schedule Q is designed to tell arbitrators how to do their jobs. OPSEU members who could be affected by schedule Q are those whose labour relations are governed by the Hospital Labour Disputes Arbitration Act.

Simply put, schedule Q is an attempt to rig arbitrations. Schedule Q requires arbitrators to consider, among other things, "the employer's ability to pay in light of its fiscal situation." According to the law firm of Sack, Goldblatt, Mitchell, "Arbitrators have stated that basing an award on ability to pay could allow the government

and employers to unilaterally determine wages and benefits by simply allocating a fixed or reduced amount for employees' compensation in their transfer payments or budgets." In other words, the fix is in from the start, or at least that's the plan.

But we have good reason to believe that this simply will not work. A similar clause was tried in Ontario in the early 1980s. It lasted about a year. That's because arbitrators are paid to produce fair settlements. They don't like being told to skew all their judgements in favour of the employer's side, and they simply will not like being told to take responsibility for implementing this government's simple-minded economic policies.

Schedule Q is really a smokescreen. It's supposed to make it look like services are being cut and wages driven down by impartial judges when in fact the government is the real culprit: It can act without being held accountable for what it does. In a democracy, this is wrong.

Schedule Q is unfair, it is devious, it is stupid, and we recommend that it be scrapped.

Any insightful analysis of Bill 26 keeps coming back to the issue of democratic rights. In a democracy, we've been taught that laws are as fair and as impartial as possible. The rights of individuals are balanced against the rights of society. No one is above the law. Bill 26 makes a mockery of all these ideas.

In one section the bill says, "The minister"—of Health—"may enter into agreements to collect, use and disclose personal information concerning insured services provided by physicians, practitioners or health facilities." This is atrocious. We interpret this to mean that the government could obtain and sell medical records. This will mean insurance companies will be able to find out if we have a lifestyle that they deem to be a risk to their profits. It will mean that drug companies can market to us directly. And will it mean that potential employers can find out if we've ever visited a psychiatrist or detox centre? We're talking about a profound violation of privacy. It's wrong. There ought to be a law against it.

1100

Another clause in Bill 26 which should make us all shudder is a very tiny one in Schedule F. It's a very short clause, but a very important one. It allows the Minister of Health to seek a single company to submit a proposal to provide a particular public service. This can be done without a tendering process. Now, let me say that tendering was not invented by public service unions; it goes back further than that, even. Tendering was invented to make sure that all bidders receive fair and aboveboard treatment when seeking to do work for governments. In a word, it was invented to root out corruption. By allowing the minister or people acting as his agents to secretly approach an individual who stands to profit from public moneys, Bill 26 opens the door to sweetheart deals, influence-peddling and kickbacks. Schedule F, part IV, clause 21(1)(a) is a Swiss bank clause. It is profoundly undemocratic. This part of Bill 26 should be replaced with a requirement that all contracts awarded by the Ontario government be awarded through a fair and open tendering process in which publicly owned service providers have the express right to compete on a level playing field with private ones.

I want to make one last point, and it has to do with those people who will act as agents with the Minister of Health under Bill 26. Whether they're called supervisors in hospitals or inspectors within OHIP, these people will have all the powers of the minister to cancel any and all policies of hospital administrators or other managers that run counter to the Conservative agenda.

Let's say there's a brilliant, public-spirited hospital administrator who is interested in creative ways to provide top-quality public services. She works with her community, her board and her employees and comes up with a plan that saves money and improves service without jeopardizing the livelihood of the workers—and that is possible. This does not suit the government's agenda. It does not privatize services; it does not drive down wages. So one day the hospital administrator receives a visit from a supervisor. The supervisor directs her to contract out various services, lay off employees and force down wages. She refuses. The supervisor, having assumed all the powers of a hospital board, fires her. End of story.

Such supervisors will create a climate of fear in all hospitals, and similar inspectors will have the same chilling effect in OHIP and, no doubt, in other parts of government. What is chilling about these supervisors is the precedent they set.

One that comes to mind is from Germany more than half a century ago. Under the government of that time, certain officials, called gauleiters, were sent out from the ruling party to make sure that local politicians, military officers and various administrators all toed the party line. If they didn't, that was that. They were gone.

Germany doesn't live under that system any more. Some people, including tens of thousands of Ontarians, were willing to die for something better: for democracy, for discussion and debate, for justice. Ontarians need to talk about all the changes proposed in Bill 26. We have a right to, and we do not have time. There's always time for democracy, because the alternative is very, very nasty.

The Chair: Thank you. We have 12 minutes for questions, and we'll start off with the government caucus.

Mr Young: Thank you for a very thorough presentation. With regard to your comments on lack of discussion and consultation, I would submit to you the very fact that you're here and that you've done such a thorough job proves that there is consultation and discussion. We're here, we are listening, and this is a real consultation. Unfortunately, not every delegation will get everything they want.

It's not helpful to use terms like "dictatorship," references to Mussolini, "comrade," "crime," because we need your help. We've got major economic problems in this province. I work with your members day to day, and some of them are my neighbours, many of them are friends, and I think you're out of touch with your own membership. They want to be part of the solution, and I haven't heard anything from your leadership about how you're going to help us get the province back on track and get our economy back on track. I'd like to ask you now, what suggestions do you have for helping us get rid of this deficit and restructure Ontario so we can get people back to work?

Ms Casselman: Let me just start by saying that we were able, after a great number of years with successive governments, including the old Tory party, to establish negotiations to establish our pension plan. That was negotiation; that was consultation. Perhaps you could take a note back to Mike and say, "Could you answer Leah's letters and sit down and talk to her?" No one in your organization is sitting down and talking to anyone in my organization, yet you have the audacity to wave around the Common Sense Revolution—

Mr Young: But we're talking right now.

Ms Casselman: —where you say on the last page of your Common Sense Revolution that it's important to talk to front-line workers. OPSEU has some really good ideas. I want to know when you're going to get to those parts of your Common Sense Revolution. We want to talk—

Mr Young: You have an opportunity now to tell us—

Ms Casselman: Thanks to these folks over here, I have an opportunity to come in for half an hour and talk to you.

Mr Young: You can give credit to whomever you like, but I'm asking you, and I'm sincere, what suggestions do you have to help us restructure and cut costs in the government of Ontario? It's critical.

Ms Casselman: It's called negotiations. We're at the bargaining table with you folks right now, except that your idea of bargaining is to table your final offer and then say, "By the way, we're going to apply for conciliation." We have an opportunity right there and now at the bargaining table—I know you don't understand that concept—to sit down and negotiate changes—

Mr Young: It's not necessary to say that.

Ms Casselman: —to sit down and negotiate changes in how service is going to be delivered, but you folks want to run off to a conciliator. We're there. We're trying to meet with you, but all the doors are closed and locked tight.

Mr Young: I still don't have an answer to my question.

Mr Sampson: With respect to the pension benefits issue, what is your view as to why the windup provision was in the Pension Benefits Act?

Ms Casselman: So you didn't have—I was going to say sleazy employers—employers who could take pensioners' money and run off and not live up to their responsibilities when they decided they were going to close down parts of or entire organizations or companies. That's why it applies to every other employer in the province except, now, the Ontario government.

Mr Sampson: It's to protect the financial integrity of the pension plan, essentially, isn't it?

Ms Casselman: Yes, which belongs to the workers.

Mr Sampson: Right. Then do you see that the financial integrity of the pension plan your members are part of is financially insecure right now? Is that why you want the windup provision applied?

Ms Casselman: Why I want the windup provision to apply, like it should to every other worker in this province, irrespective of their boss being the Harris government, is to ensure that—if you're really serious about downsizing the public service and ensuring that the economy stays on solid footing, why would you put people out of employment and then have them go on welfare when, if you had that access to a partial plan windup, they could then go on to a pension and maintain a serious contribution to the community as opposed to becoming a drain. That's the short thinking you're involved in.

The Chair: Mr Sampson, you've exhausted your time. Members of the opposition?

Mr Gerretsen: A very short comment: You've been give a half-hour presentation, which is better than nothing, but let us never confuse a half-hour presentation, and two or three minutes for questions from each caucus, with consultation. It's a totally different thing.

I just want you to give me an example for the laypeople out there, including myself, how section L works. Give me an example of what happens to one worker and what happens to their pension rights.

Ms Casselman: We will have workers in—what's the latest rumour?—Transportation. They're not going to be plowing roads in the winter, so I guess they'll be laid off, so you're going to have a worker who has been digging ditches, plowing roads in the winter, building roads in the summer, who is 55 years old. They're now going to say either, "We're not going to do that work any more," or "We're going to contract it out." With the impact of what they did in Bill 7, successor rights provisions don't apply, their wages don't go with them, their union doesn't go with them, their benefits don't go with them, their pension doesn't go with them.

1110

Under the current law, any one of those workers could apply to the superintendent of pensions and have the plan partially wound up for them, which means they would immediately be supervested, they would have access to all the rights they've paid for over the years with their pension money, and when they got to that age they would be able to access their pensions without a penalty, or with a reduced penalty, because of the actions of the employer. They want to continue to work, but if the employer is making the decision that they don't want them to work any more, they should have access to the pension money they've contributed to, and they will no longer have that now.

Mr Phillips: Maybe you could help us out a little on what the government's motives are on the pension, because it came to us out of the blue too. First, the Pension Benefits Act, as you quite rightly point out, is designed to protect pensioners. It was a bill the Conservatives supported, including all the provisions in it.

It now looks like one group's being singled out to be excluded from these provisions—nobody else. General Motors isn't, Stelco's not, nobody else but your membership. The only way they can accomplish it is to pass a law overriding another law. The other law had broad support, because if there's one thing people support, it is not abusing people's pensions.

Why would you think the government wants to pass a law affecting you only? If they don't like the provision, why would they not be passing a law that would essentially take that provision out for everyone? Why is it exclusive to you?

Ms Casselman: At some points they want to assume their role as employer and at other points they don't. When we went into negotiations with the employer over this—the government as employer; it doesn't matter which party's in power, the government's still the employer—we had a specific provision in there which we actually gave up money to the government for in our negotiations—it's give and take—that required them, if they were going to make any legislative change that would affect our pension plan, they had to come to us and negotiate that and discuss that with us.

When they tried to make the regulatory changes just in cabinet, we said: "Whoa, wait a minute. There's a signed agreement here with the government. It doesn't mean you get to abrogate responsibility. You're now government. You have to come and talk to us." They said: "We're not interested in doing that. We have the power." So we took them to court. Clearly, they were going to lose that.

I guess the president of GM would like to have the legislative power to make all the changes and not have to sit down with their unionized representatives, but this employer has the legislative power to make changes. So in order to not have to pay—because if they did have to wind up, they would have to pay if there was any extra money owing. They don't want to assume that responsibility, as every other employer in the province would have to assume, if they make the decisions that they're going to close down operations and stop delivering public service. They're trying to make sure they get out of that responsibility, which is across the board to everyone else.

Mr Silipo: Ms Casselman, thank you for your presentation. You've certainly reiterated a number of comments we've heard throughout these hearings and I'm sure will continue to hear.

I wanted to ask you, because the point of consultation is an important one, how many meetings have you had with Premier Harris since they formed the government?

Ms Casselman: None.

Mr Silipo: How many meetings have you had with the Chair of Management Board?

Ms Casselman: One.

Mr Silipo: How many meetings have you had with the Minister of Finance?

Ms Casselman: None.

Mr Silipo: How long was your meeting with the Chair of Management Board?

Ms Casselman: About 40 minutes.

Mr Silipo: And you discussed issues related to Bill 26?

Ms Casselman: No.

Mr Silipo: So there's been no consultation, no discussion with you on any issues.

Ms Casselman: No. There's been no consultation or discussion on the municipal front, either.

Mr Silipo: I think it might be important for the government members to note that's the case. If people really believe in discussing—and in this particular case, in a situation where the government has a responsibility as an employer as well as the government, you don't do that in half an hour in front of a standing committee. I just thought making that point was important.

The other area that I want to touch on—there's a lot here that we could talk about; certainly the point that you made about the pension. It's deferred money and it might be also noteworthy for members of the government that unless my memory doesn't serve me well, the last time there was a change made to the pension plan, it was negotiated between OPSEU and the then NDP government.

The one area that I wanted to ask you to comment on—because I know that in the time you had you didn't touch too much on this—is the pay equity provisions. I know it doesn't affect OPSEU members who work for the government, but that in your responsibility as president for OPSEU throughout that in fact there are a number of people you do represent. What we're looking at here in the elimination of proxy in pay equity means that 100,000 of the most underpaid women in the province will be denied pay equity. It's as simple as that. And the justification that we continue to hear from the government is that this is returning pay equity to what it was initially intended to be.

Our point is that the need for proxy has to be there and is there because in fact the point of pay equity is to bring the pay of women up to recognize the value of the work that they're doing, to bring it up to a comparable value of pay for work that men do. By eliminating proxy we're talking about eliminating pay equity for the most underpaid women in the province.

Ms Casselman: If you sit down and analyse the policies that have come out of this government, there's no fairness in any of this. So, again, in the papers today you see the wage gap growing again between men's and women's wages. I thought the whole idea of government was to ensure that people had equal access to all kinds of things, right? So you look at everything, all the cuts that are being made, to worship on the altar of—well, now they're even changing on the tax break. But all this deficit hysteria—there's no understanding of the role or responsibility of government in the provision of service and to ensure that workers, whether they're men or women, are treated fairly, are paid fairly and equally for the work that they do, and it's one more way of ensurin that employers out there don't have to take any responsibility to ensure that that type of thing is happening.

The Chair: I want to thank you on behalf of the committee for coming forward and appearing before the standing committee on general government today.

CANADIAN INSTITUTE FOR ENVIRONMENTAL LAW AND POLICY

The Chair: Would members of the Canadian Institute for Environmental Law and Policy please come forward? Good afternoon and welcome to the standing committee on general government. You have 30 minutes to make your presentation. You can use that 30 minutes as you see fit, although you may want to leave some time at the end of your presentation for response and questions from the three caucuses. I would appreciate it if you would read your names and the name of your organization into the record for Hansard and for committee members.

Ms Anne Mitchell: Thank you very much, Mr Chair. My name is Anne Mitchell. I am the executive director of the Canadian Institute for Environmental Law and Policy.

I have with me my colleague Dr Mark Winfield, who's the director of research with our institution. I would like to, first of all, thank you for the opportunity to come here. It was short notice, but we do appreciate it.

The Canadian Institute for Environmental Law and Policy is a research and education organization which was founded in 1970, and over the past 25 years has been doing environmental law and policy research. We understand the government's need to reduce costs but we're very concerned about the ways in which the government is doing this.

Bill 26 is an unusual and a particularly complex piece of legislation. It has major environmental and financial implications which need to be examined carefully. Given the time for preparation—and Mark Winfield and one of CIELAP's project officers who's also here, Greg Jenish, has been working on this over the past few days—we will focus our remarks on aspects of the bill amending the Mining Act. We're also going to comment briefly on the proposed amendments to the Freedom of Information and Protection of Privacy Act, the Municipal Freedom of Information and Protection of Privacy Act, the Municipal Act, the Conservation Authorities Act, the Forest Fires Prevention Act, the Lakes and Rivers Improvements Act, the Public Lands Act and the Game and Fish Act.

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Some of the proposed amendments could expose the taxpayers of Ontario to potentially major liabilities and endanger critical public assets such as forests, lands, lakes and rivers for marginal savings.

In a media release that we're putting out later today, we say that Bill 26 means open season on public lands and waterways and exposing Ontario taxpayers to hundreds of millions in cleanup costs. I think the savings that have been estimated by the government are less than $3 million per year.

It seems to us that Bill 26 should be broken down into several smaller bills which could be studied in greater detail by the government and the public. It also seems to us that the introduction of full cost recovery user-pay systems to deal with the costs of protecting Ontario's forests, lands and waterways might be a way forward to ensure that these costs are not borne solely by the Ontario government and the Ontario taxpayers. It is cheaper to prevent than to clean up. Therefore, the government should play a strong role now to prevent further harm to the environment rather than spend millions later to clean up.

As the Globe and Mail said in a recent editorial on September 20: "Our responsibility is to convince governments to take a longer view: that we are heirs to a bountiful endowment, and we have a moral responsibility to tend it well."

CIELAP believes that the proposed amendments to Bill 26 in the areas that we have mentioned is not in the long-term best interests of Ontarians and their environment.

My colleague Mark Winfield is now going to give you some detailed comments on some of the specific proposed amendments.

Dr Mark Winfield: My name is Mark Winfield. I am director of research for the Canadian Institute for Environmental Law and Policy.

As Anne said, this bill is enormous and it has been impossible to develop a detailed analysis in the available time frame. This causes us concern, because not only are there major implications to the bill, but there also appear to be some very serious drafting errors here as well and those need to be seen to.

As Anne said, we're going to focus on the aspects of the bill dealing with the Mining Act and also dealing with natural resources management.

With respect to the Mining Act, the amendments contained in Bill 26 regarding the Mining Act cause us quite serious concern and we believe, in fact, that they should be broken out and dealt with separately. These are major amendments to the act with major environmental and fiscal implications.

In particular, what the government is proposing to do is to weaken the requirements of the act around the approval of closure plans for mines, to weaken the financial assurance requirements around the closure of mines, and particularly to eliminate the need to post an actual realizable security as part of a mine closure plan. We also note that it exempts the financial assurance requirements for mine closure plans from freedom of information requests so the public can't find out what kind of financial assurance is being posted.

We're concerned that the requirement for annual reports on the implementation of closure plans for mines is going to be eliminated. We are also concerned that the amendments to the Mining Act exempt holders of mining claims from liability for pre-existing hazards which, in effect, means that in those circumstances the liability falls back to the taxpayer.

We're concerned about the exemption of proponents who voluntarily surrender mining lands from future environmental liabilities as well, because in effect that again means that the liability, if a problem arises, even if it is the fault of the individual who surrendered the lands, is going to rest with the taxpayer.

On the whole, we're concerned these amendments expose the taxpayers of Ontario to potential liabilities for major cleanup costs for savings which are really quite marginal. The Ministry of Northern Development and Mines has estimated the total savings from the implementation of these amendments to the Mining Act will be in the range of $1.3 million a year. At the same time, the same ministry has estimated that the cost for remediating existing abandoned mine sites in the province exceeds $300 million. We are seriously concerned about the imbalance between the cost versus the potential scale of the liabilities to which the taxpayers may be exposed.

As an alternative, we think the government should consider moving to a full cost recovery user-pay system for the administration of the mine closure provisions of the Mining Act. That would be consistent with the government's goals in terms of dealing with the costs of the program but do it in a way which tries to ensure that the public interest is more effectively protected.

With respect to the other acts amended by Bill 26, we're just going to comment very briefly on a number of them. We're deeply concerned by the proposed amendments to the Freedom of Information and Protection of Privacy Act, particularly related to granting agencies the

right to deny requests for information which they regard, or are defined by the Lieutenant Governor in Council, as being frivolous or vexatious. We feel that proposal should be withdrawn.

We're deeply concerned about the proposed amendments to the Municipal Act. Many of them have major environmental implications but it's simply beyond our resources and capability to analyse them in detail at this stage.

We're deeply concerned about the proposed amendments to the Conservation Authorities Act, as well. These amendments clearly contemplate the dissolution of conservation authorities and the sale of their lands. The lands held by conservation authorities in this province constitute a major component of our natural heritage and I think if those lands are lost or sold, that would be a major loss to the people of Ontario which could not be recovered.

We are also very concerned about the proposed amendments to a number of acts administered by the Ministry of Natural Resources, particularly the Forest Fires Prevention Act, the Lakes and Rivers Improvement Act and the Public Lands Act. Bill 26 makes similar amendments to each of these acts and what it does is it replaces the current requirement, which states that you have to get approval every time you engage in such activities as starting a fire or building a dam or building a road on public land, with granting the cabinet the power to make regulations defining when you need to seek an approval. In our view, this approach would significantly weaken the protection of public safety and the protection of public forests, lands and lakes in the province. Again, this law seems to be only likely to achieve very, very marginal savings, on the scale—we understand the estimate is of about $1.5 million a year.

There is also a serious concern in the sense that the Legislature, through these acts, made a very clear policy decision that it would require approvals in each case of the kinds of activities governed by the acts. In effect, that policy decision is now going to be transferred from the members of the Legislature to the members of the cabinet. I think that has very serious accountability implications.

Again, as with the Mining Act, we think an alternative way forward may be to operate these approval programs on the basis of a full cost recovery user-pay system. This would allow for the maintenance of the oversight and protection of public safety and public assets, which is currently in place, while addressing the government's concerns about the costs of these programs.

For these reasons, we believe that these amendments to these acts should be withdrawn from Bill 26 and reintroduced as a separate bill establishing a user-pay system for permits under the Forest Fires Prevention Act, the Lakes and Rivers Improvement Act and the Public Lands Act.

I want to comment very briefly on the amendments to the Fish and Game Act. These are different from the amendments to the other bills but are somewhat unusual in the sense that they create a dedicated fund for the funds raised through the charges for fish and game licences in the province. It's not clear why this is being is done, why this particular type of licence fee is being set aside for a dedicated revenue fund. We're also concerned that the fund appears to be insulated from the traditional accountability structures of the Legislature regarding the raising and expenditure of funds.

In conclusion, we believe that the bill needs to be broken down into separate bills. In the case of the elements that we've addressed, the Mining Act provision should be dealt with as a separate piece of legislation. The Municipal Act amendments and Conservation Authorities Act amendments should be dealt with as a separate piece of legislation. Then the various acts administered by the Minister of Natural Resources, because the change in them is thematically similar, could be dealt with together, but again, as a separate piece of legislation. I think that's necessary in order to examine these proposals in detail to ensure that we understand what their implications are and if they're in the long-term public interest.

In the case of the approval processes governed by these various acts, particularly the Mining Act and the Forest Fires Prevention Act and the Lakes and Rivers Improvement Act and Public Lands Act, we're deeply concerned by the fact that in exchange for what appeared to be very marginal savings, in total less than $3 million a year, the proposals have the potential to expose the public to major liabilities in relation to the closure of mine sites and also to endanger public safety and public forests, lands, lakes and rivers.

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As an alternative, as I've said, we've suggested the idea of considering a full-cost, user-pay recovery system as a way of financing these programs and ensuring that these public assets are protected.

Finally, I do want to emphasize our concerns also about the underlying theme of transferring power from the Legislature to the executive which is present in this bill. Many commentators, constitutional scholars and others have commented very negatively on the increasing use of framework legislation. In fact, committees of this Legislature have been deeply critical of the tendency for governments to enact very broad enabling powers for the executive branch. Parliamentary committees in Ottawa have made similar criticisms, and they're deeply concerned about the implications of this approach for both public and parliamentary accountability. I think that members of the Legislature should approach requests by the executive for sweeping powers of this nature with the utmost caution and consider carefully their implications for the accountability of the government to them and to the people of the province.

We'd be pleased to answer questions.

The Chair: Thank you very much for your presentation. We have five minutes per caucus. We'll start off with the opposition caucus.

Mr Phillips: We do appreciate your presentation. I imagine you have some idea of the challenge we're facing here of being asked to be knowledgeable about, I think it's 44 different major acts, 210 pages of amendments. We have a gun to our head. We bought four more weeks of time, but that's it. Can you characterize the changes that you see here? Are they minor changes that

the government is proposing? Are they simply fairly routine or are they significant changes?

Dr Winfield: These are enormous changes. The amendments to the Mining Act have enormous implications. There are major changes in policy here, and similarly with a number of the others. The Freedom of Information and Protection of Privacy Act: There's enormous change there, and similarly the natural resources acts we've mentioned. There's this enormous change from a system where, under the legislation now, if you want to engage in certain kinds of activities—light a fire in a forest-fire zone, do work in a forest area, build a road on public lands, build a dam, all these kinds of things—the Legislature has said you have to have an approval in all those cases.

What this bill says is: "Well, that's no longer going to be the case. It's going to be the Governor in Council which will decide whether you need an approval." It's entirely possible that the regulations saying you need these approvals will never be made, in which case it's complete open season.

One of the frustrating things about the bill is that there is a range of changes. Some of these are enormous and others are very technical and very minor. One gets the impression that the bureaucracy has sort of taken the opportunity to throw almost everything you could think of into the mix. So I think that just re-emphasizes the need to look at these things in detail and go through it clause by clause.

Mr Phillips: I agree with you. I think, frankly, it's gross injustice what we're being forced to do here. What we're told is that there is no time for debate on this. It has to be done right away because we have this deficit problem and all of these things are necessary tools to deal with the deficit. In looking at the Mining Act, are these amendments designed to save the government a lot of money? Is that why we have to have them through on January 29, at the latest? Will this save the taxpayers an enormous amount of money and therefore reduce the deficit very quickly?

Ms Mitchell: No. As we've said, it will save the taxpayers something like $1.3 million a year.

Mr Phillips: And put at risk how much money?

Ms Mitchell: Potentially, $300 million in cleanup costs.

Mr Phillips: So as we look at the ledger here, we're going to save $1.3 million and, in your judgement, we're risking $300 million.

Ms Mitchell: Well, the long-term implications are that you could be risking a considerable amount of money.

Mr Phillips: Why would you think the government would want to—

Ms Mitchell: We don't know. This is one of our problems: We don't really know the real intent. We understand the problem of needing to reduce costs, but this doesn't seem to be, in our view, one of the most effective ways of going about it, in these particular amendments.

Mr Phillips: I think you also probably understand that we will be lucky, I think, to have six or seven presentations in this area given the very limited time. In your judgement, knowing what you know about the Mining Act, is there any way at all we can have a reasoned discussion on something as complicated as the Mining Act when we also have to deal with at least 42 other acts at exactly the same time? Is this going to result in reasonable debate on a major amendment to the Mining Act?

Dr Winfield: No. This act in itself is a very, very complex and technical piece of legislation to begin with and the amendments are very, very complex in themselves. I really think, as we said in our brief, if the government wants to amend the Mining Act in this way, the only way to do it is to separate it from Bill 26 and present it as a separate piece of legislation.

Mr Phillips: Can I just summarize then, because we tend to run out of time. I think your advice to us is: This saves very little money and puts at risk huge amounts of public money—

Ms Mitchell: Yes.

Dr Winfield: Yes.

Mr Phillips: —because in the end, the public will be responsible for rehabilitating the mine sites.

So we're not doing this for saving money. These are major changes to a major act of an industry that is fundamental to the province of Ontario. I guess all I can say is, we share your despair. We'll do the best we can to have a reasoned debate, but frankly, as recently as this morning we tried to get some more time for debate and we're having real difficulty with that.

Mr Cooke: I have some of the same concerns that Mr Phillips has on the process. One of the additional problems on the process that we have is that normally when there's a bill that focuses in a particular area, then we have MPPs who have some expertise and have liaised with groups that are involved in that area. With this particular bill, there are very few of us—and I certainly am one of them—who know a lot about the Mining Act. So one of the concerns I have on this is that it won't get the attention it requires, we won't understand the full implications and it'll be rammed through. We'll certainly try to convince the government that it should be separated.

The other thing is, we know that the Ontario Mining Association was consulted.

Ms Mitchell: On this specific act?

Mr Cooke: On the issue that eventually was put into the act. Have you been consulted, and what is your role in terms of—I'm assuming there are people out there in the ministry right now working on regulations that go along with the act. We probably won't see the regulations before we pass the act. Are you involved at all in helping and offering advice on the development of the regulations?

Ms Mitchell: No. We weren't consulted on the Mining Act and we haven't been specifically consulted on this.

Mr Cooke: Marilyn would like to ask some questions.

Ms Marilyn Churley (Riverdale): I'm sorry I missed the beginning of your presentation. Do you have it in writing?

Dr Winfield: Yes, we do.

Ms Churley: Good. I'm very, very concerned about the acts in this particular bill, because if you add in some of the other cuts that have been made and the dismantling of the Planning Act and various others which I don't

have time to talk about here with these, it's very alarming overall in what's going to happen to the environment in Ontario.

What I want to ask you about—and I don't know if you have expertise in this or not—I'm quite concerned that this bill has been exempted from the Environmental Bill of Rights, the EBR registry, with such major implications to the environment. It's been exempted, and it's my understanding that the Finance ministry itself has now been exempted, which means you could take anything and dump it into that ministry and bypass the EBR.

I understand as well—in fact, I know from looking it up—there are a whole bunch of new regs that haven't been gazetted yet that have far-reaching implications for the environment. Some of them, from my understanding of what I've seen, water down the MISA program, for instance. Would you say that there's a direct contravention of the EBR, or is it just in spirit? And what are we going to do about it? In my view, it guts the whole meaning of the act.

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Dr Winfield: Sure. It certainly contravenes the spirit of the act. Technically, as far as we can tell, there's not an actual violation because what the cabinet has done is provided exemptions using mechanisms in the act. In particular, not only did they exempt Bill 26 itself, although only after it was pointed out to them that in fact Bill 26 was captured by the EBR, they have also made a regulation which exempts any regulations and policies related to the implementation of financial restructuring from the requirements of the Environmental Bill of Rights as well.

So all of the regulations which are implicit in the amendments to the Forest Fires Prevention Act and the Public Lands Act and Lakes and Rivers Improvement Act, for example, under schedule N of Bill 26, would be exempted from the EBR. They will simply appear one day, with no public comment period or anything. It will simply be, "There they are," which certainly undermines the intent, if not the letter, of the bill.

The Chair: You have about a minute left.

Ms Churley: I have one minute left. What do you think can be done about that? Is there something we can do to strengthen the act, with the approval of the government of course? If there's that kind of major loophole, then us being the government—it's a new act that brought it in—obviously I'm very concerned that this kind of loophole is there. I think it needs to be fixed.

Dr Winfield: Conceivably yes, you could amend the EBR to limit the exemptions which can be provided. The only reason, really, why one should provide an exemption would be in an emergency, otherwise you—

Ms Churley: That was our intent, I believe.

Dr Winfield: Yes. Unfortunately, the way the bill is applied is through regulations, and in fact there have been regulations made which change the way in which the bill is applied as well.

Mr Sampson: Thank you very much for you presentation. You mentioned the figure of $300 million a few minutes ago. Is that figure not essentially the estimate to clean up existing hazards which in fact occurred under the previous legislation?

Dr Winfield: Yes. The actual number is the one that the Ministry of Northern Development and Mines gives—

Mr Sampson: So this isn't a projection going forward. It's what in fact has happened under the previous legislation, half of which I am led to believe were actually next to crown-owned sites.

Dr Winfield: It's a little tricky, because the way the act works, under the old version of the act, under certain circumstances abandoned mine sites reverted to crown ownership.

Mr Sampson: Right.

Dr Winfield: When that happened, the liability for whatever damage might be caused reverted with it.

Mr Sampson: These hazards and these costs are as a result of the previous legislation, or at least it happened under the previous legislation.

Dr Winfield: Yes.

Mr Sampson: Is it your concern with respect to schedule O that the ministry or the government is giving up some control over how these reclamation projects are handled?

Dr Winfield: Yes, it is, in a number of different ways.

Mr Sampson: You would prefer the ministry to have more authority.

Dr Winfield: I think that in some ways there are areas in which more authority might actually be appropriate. The existing provisions are quite strong actually in the sense of the degree to which they give the director of mine rehabilitation the capacity to both require remediation measures and oversee the implementation of those measures. I think one of the really critical changes is in relation to the area of financial assurances, because at the moment the financial assurance from the mining company has to come in some form of realizable security—

Mr Sampson: Right.

Dr Winfield: —cash, bonds, something like that.

Mr Sampson: But with respect to determining sites and dealing with them expeditiously, your position would be, give the minister more authority to do that?

Dr Winfield: Yes.

Mr Sampson: Have you seen any of those amendments in this current legislation that would deal with that, give the minister more authority to deal with them?

Dr Winfield: There is one which deals with emergency situations.

Mr Sampson: Would you also call section 146 with respect to the inspectors giving the minister more authority, where it says that the "inspector may, without a warrant, at any reasonable time and with any reasonable assistance," and it goes on, enter into a place, make inspections, be accompanied by experts, request the production of drawings, deal with the site, make an order to have the site dealt with—is that not fairly expeditious?

Dr Winfield: It's a marginal expansion of the existing power.

Mr Sampson: It's marginal to have somebody enter a site without warrant or "at any reasonable time"?

Dr Winfield: Part of the problem is that—

Mr Sampson: Would it be marginal if I did that to your house?

Mr Cooke: Let him answer the question.

Dr Winfield: These kinds of powers already existed under the act; this expands them somewhat. But I think we have to keep in mind that, in our discussions with the Ministry of Northern Development and Mines, we were informed that only two inspectors will be on staff to conduct the inspections of all the abandoned mine sites in northern Ontario. That's a reduction from the 14 staff members who are there now overseeing the approvals and those kinds of things.

Mr Sampson: But these folks can, willy-nilly, just enter a site and do all of these things and pass expenses off. Isn't that a fairly aggressive authority for the minister to have?

Dr Winfield: In and of itself it is, but I think it has to be put into the context of the other amendments to the bill, which are weakening the authority of the director of mine rehabilitation and the authority of the minister in a number of very important ways.

Mr Sampson: Right. So on balance—

Dr Winfield: On balance, there's unquestionably a loss, particularly when you put it into the context of the changes around financial assurances as well.

One of the important things that's going on is, there are a number of quite explicit powers available to the director of mine rehabilitation now which are being removed. One of them, for example, was that the director could, in effect, impose conditions on a closure plan. The way that the amendments are worded, they won't be able to do that. There's sort of a process whereby a remediation plan under the certification process which is being proposed could conceivably go back and forth between a director and the proponent, but there's no power, as there is now, for the director to say, "This is what has to be in the remediation plan in order for it to be acceptable to the province."

Mr Sampson: But under the financial assurance section the director has pretty strong authority too. Basically, if nothing's happening in accordance with the plan, he can go and act on his own.

Dr Winfield: Yes.

Mr Sampson: The restriction there is, in his view, reasonable and probable grounds. That's fairly broad, isn't it?

Dr Winfield: The problem in that area is the amendment to the financial assurance requirements that eliminate the need to actually post a realizable security. Under the present situation, there's a realizable security. So if the director has to, because of a bankruptcy or simply because the proponent refuses to do the work, there are, in effect, funds available to the director immediately to finance the cleanup. Under these amendments, if there isn't an actual realizable security posted, if such a situation arises, the only way in which the director could pay for the remediation work would be out of the general revenue fund of the province.

Mr Sampson: But the director—

The Chair: Thank you, Mr Sampson. I apologize. Your time is exhausted.

I'd like to thank the deputants for appearing before the committee today.

Before we recess for lunch, Mr Cooke would like to move a motion.

Mr Cooke: Mr Chair, I would like to move the following motion:

I move that this committee recommends to the government House leader that when the House returns on January 29, 1996, that the order with respect to Bill 26 be amended and that the bill be returned to the standing committee on general government so that further public hearings can be arranged; and further, based on the submissions to the committee to date, that Bill 26 be separated into several bills to allow the public an opportunity to adequately analyze the bills.

Further, that this committee recommends that the three House leaders meet as soon as possible to discuss this issue.

The Chair: I would like to adjourn debate on this until an appropriate time this afternoon.

Mr Cooke: We can schedule this in one of the spots this afternoon.

Mr Sampson: On a point of order, Mr Chair: I might suggest that you consult during the period of time between now and the time we debate this as to whether or not that motion is indeed in order and rule on that.

The Chair: Thank you for the advice, Mr Sampson. I'll undertake to do something like that.

Mr Bruce Crozier (Essex South): You sure don't have much faith in the Chair.

Mr Gerretsen: I have complete faith in the Chair.

The Chair: We stand in recess until 1 o'clock.

The subcommittee recessed from 1148 to 1302.

JACK LAYTON

The Chair: Our first presenter this afternoon will be Mr Layton. Welcome. You have actually now 24 minutes to make your presentation. You can use that time as you see fit. You may want to leave some time at the end for questions. I'd appreciate it if you'd read your name and who you're representing into the record for the benefit of the committee members and Hansard.

Mr Jack Layton: I'm Jack Layton. I'm a Metro councillor for Metropolitan Toronto. Could I just get a clarification on that time, I heard the four.

The Chair: It was 24.

Mr Layton: Okay. I was ready to move into poetry. I'll try and be very brief. I do have some copies of what I'm about to say which might speed things up a little bit.

I really appreciate the opportunity to speak and for the fact that the hearing is taking place. It certainly has allowed us to take a close look at the legislation. This legislation has enormous impacts on municipalities, as I'm sure you're coming to understand increasingly through the deputations and as you absorb its various content elements.

I just want to speak to, let's call it the appearance of the legislation versus what I think is the reality when we begin to peel back the layers. I'd like to suggest to the members here that there are two sort of analyses that you could have. One is that the appearance was designed to disguise the reality or—and I'm hoping this is the case—that the appearance was what was intended and the reality is something that can be brought into sync with the appearance by the committee through its amendments.

That's what I'm hoping and it remains to be seen, obviously, in your deliberations.

I have really three points to make. The first one is that the appearance of this bill is that it claims to give municipalities more power and thereby enhance democracy. I think this would be a good idea. Many of us have called for this for a long time and to have one government supervising another as closely as has been the case over the years, doesn't seem to be very modern any more. It might've made sense back in 1867, but it doesn't really make sense today. So it's a good direction, but as we began to look at the actual bill itself and the way it's put together, it turns out the reality, if I may suggest, is the opposite to the appearance.

The reality is that the transfer of powers to municipalities simply won't happen in this bill. In fact, the opposite will happen. The minister is securing for himself, or in the future herself perhaps, greatly enhanced powers. Well, that's the opposite of giving municipal government more power.

Not only that, but the minister's new powers would be immune from scrutiny by the public, because it would be entirely by regulation, so there would be no hearings. There would be no requirement for consultation, there would be no debate in the Legislature, and there's no requirement to notify anybody that the changes are about to be made.

All of these are absolute fundamentals in democracy, that people be able to be notified about a proposed law, that they be given a chance to have some input on that law and that there be a debate about the law. All of these are in fact denied by the provisions of this bill. I don't think a member of this Legislature would want to support a direction like that.

I'd like to give you some illustrations. The first illustration: rationalization of services between upper- and lower-tier municipalities. This is what our solicitor says in his report, which you'll get in more detail on Friday when our Metro Chairman will be here.

For example, he says upper tier and local municipalities are given a power and process for the migration of services among them, so that we could move services up and down and get things sorted out and do things more rationally. It makes a lot of sense. However, these powers may be exercised only with respect to such services and facilities and under such conditions as the minister may, by regulation, prescribe. In other words, municipalities aren't able to move powers between themselves. They have to wait, essentially, for the minister to decide what powers can be moved and to spell those out, at which point then we turn around and move them.

Well, that's the same old relationship we've had in the past. It adds layers upon layers of decision-making. It embroils your own government in having to make decisions which could easily be made by relatively responsible adults working in municipal governments, which I would remind you operate without any deficit, by law, and we've managed to do it for a long time. And many of you have probably served in municipal governments before so this is not a revelation to you.

A second example, illustration 2, the power to dissolve local boards: We would like to take a look at some of our local boards and rationalize some of those. We've tried to make them more democratic so they'd be composed—perhaps be made into committees of council instead of having a proliferation of all these boards, and the bill appears to give us the power to do that, but when you turn around, it's again the opposite.

The power cannot be exercised within Ontario until a regulation is made by the minister relating to the type of board that can be dissolved. So the minister's going to have to sit down and spell out again, in great detail, what board can be dissolved and what one can't and so on. A whole lot of work for the minister; a whole lot less democracy at the local level.

My second point has to do with the appearance that municipalities can implement taxes which are in the nature of a direct tax. The question is, do we have that power or not? And I know that's been the subject of some debate around here. One thinks of the gasoline tax and I'd like to offer an opinion on that, if you don't mind.

But the reality seems to be that there's a changing understanding by the minister of what this power provides. Is it a poll tax or is it not a poll tax? Is it a gasoline tax or is it not a gasoline tax? What this underlines is that ultimately it is, in this bill, up to the minister to decide with complete arbitrariness. The Legislature doesn't decide; the municipal councils don't decide; the minister decides.

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I've never seen any government in this country be given the power to have one minister decide whether a tax can be levied. That would be revolutionary. That is the reason we had rebellions in this country in 1837, because governments and ministers were by edict saying, "There shall be a tax or there shall not be a tax and I will decide it." A taxation power is the most fundamental of powers and the Legislature must, irrespective of what party you're a part of, guard exclusively to yourself the right to tax the citizens or not tax the citizens. You need to decide whether a municipal government can be delegated that power, not a minister. That is absolutely fundamental.

We're dealing here with a very important item. These taxes, if they are implemented, depending on what the minister decides they will cover, could be taking billions of dollars from the pockets of people in our community and they could do so in a way which is very regressive, very destructive, but the Legislature will have had no chance to define the way in which that's to be done.

I can't think of a more fundamental assault on a fundamental, democratic component of governance than this particular item, that gives the minister the power to decide what taxes will be levied and what ones won't.

To turn to the gasoline tax, just to give you a couple of examples here—on the gasoline tax, this bill gives us the power to tax for things where we give a service directly to the person. Suppose we brought in a gasoline tax or a highway tax, a toll on a section of road. You may not know this, but you've given us the Queensway to look after. The Queensway is not in great shape; it needs about $50 million of investment to bring it up to scratch. Ministry of Transportation officials dispute it in

terms of the amount. All we know is it hasn't been resurfaced in about 15 years and normally that's the cycle where we start major reconstruction.

So that's a question where you've downloaded a major cost to us and you've said publicly, the government certainly has been saying publicly, that no municipal increases in taxes should be required by the government's measures, no increase in charges should be required and no reduction in service. That doesn't add up, with all due respect, and the Queensway is a classic example. It's going to cost us money to keep it clean; it's going to cost us money to keep it in good shape. We have to be given some opportunity to raise the money. Now, if we raise taxes to pay for that, I can imagine some people, perhaps even in the government, might be critical of our government for doing it. But yet you're able to lower taxes because you've given us that road. This is just one example.

Suppose we decided, then, to charge a gasoline tax in order to be able to pay for the restoration of roads like that. Our interpretation is that the—and I say "ours;" we're still waiting for a formal opinion from our solicitor and he will likely be here on Friday and you can ask him. His basic view is that the language is so broad and general that in many cases it's going to take court cases to figure out what it really means, unless the government comes out and says what it clearly means. But in the language there right now, certainly we're allowed to tax for a service that we provide and roads are a service that we provide to people driving cars, and they need gasoline, generally, in order to be able to drive on those roads.

So our interpretation is this allows a gas tax. I'm trying to be careful here, because I've heard that various resignations and what have you hinge on these interpretations, so don't take my word for it.

Mr Cooke: What's the downside?

Mr Layton: It certainly is giving us a big problem when in municipal government we're supposed to be putting together budgets right now. We've got about a $50-million shortfall in our funding from the province, we're trying to figure out how to make it up and yet a new law is coming into place which is going to completely and arbitrarily govern the way we do business.

These kinds of laws, by the way, are known in legal circles as Henry VIII laws. It sort of depends on what side of the bed the minister wakes up on in the morning. If the minister's in a good mood, cut the grant or increase the grant; if he's in a bad mood: "I'm going to force you to adopt a certain level of service by regulation, but I'm not going to give you any funds to make it happen and I'm going to prohibit you from raising taxes. In other words, I'm just going to make your life miserable and really deprive the people of any say." Henry VIII's wives didn't have any say and neither will the people.

Some of you may comment: "Wait a minute. We elected this government. We elected ministers to make decisions. What's wrong with that?" Well, there's a difference between electing a government and electing a king. The difference is that as a government you have to bring your decisions into an open forum for discussion. You have to work with the other levels of government you have helped to create, namely, municipal governments. This bill totally guts municipal governments of their responsibility but pretends that it's giving them more power, which is of course the worst way to present a case: say one thing and do the opposite.

I think I can conclude at this point. Suffice it to say that I think this bill in one fell swoop is going to do more to undo democratic governance in this province than any measure ever taken by any government, with the possible exception of the War Measures Act, because it takes into the cabinet minister's office absolute power on many, many different fronts. This has never happened before. I think it needs to be rejected, major changes need to happen and, hopefully, that's what this process we're going through is all about.

The Chair: We'll start with the third party. You have a little over three minutes per caucus.

Mr Cooke: I just have a couple of questions to raise. The other day, we had the Metro board of trade before us, which had a lot of concerns about the bill but a lot of enthusiasm to support it anyway. One of the reasons they said we should be supporting the bill is that their interpretation of the bill is that it would give cabinet the ability to completely restructure the GTA without ever having to come back to the Legislature. I know that Metro right now is debating the bill or being briefed on the bill. Has there been any discussion at Metro about whether those powers are granted under this bill to the minister?

Mr Layton: That discussion is actually going on right now. Metro council is meeting—it's just on its lunch break at the moment and coming back at 2 o'clock, and there will be a further discussion of exactly that point and other aspects of the bill. We're refining the brief and you've set aside I think 2 o'clock on Friday for Chairman Tonks and our staff to be here, so I think they would be able to answer that question.

At the moment our solicitor was saying it "could be," as solicitors sometimes do. You can read these words in different ways, so they're trying to narrow down what their interpretation is going to be.

Mr Cooke: If that power was granted—and I'm not sure if that's how I read the bill, but certainly if it doesn't cover the GTA, we know it covers the other parts of the province that have county governance—how do you think the people in the GTA would respond after the Golden commission—which didn't have a whole series of public meetings; it was a fairly short internal consultation—that the entire governance structure for the GTA could be decided basically by one person? What do you think the reaction of Metro council, but more importantly of your constituents, would be?

Mr Layton: I think the key thing is what the reaction of the constituents would be, as you say. People react in funny ways. Sometimes people actually welcome, if I can use the word, dictatorial action at first, because it looks like somebody's doing something. But it usually doesn't take them long to realize that what's being done to them is something that may have really serious impact.

There's a huge interest, actually, in the GTA on the governance question. We were holding community meetings about it, public meetings, and we were having

huge turnouts. There's an enormous interest. My guess is that you'll find that people will want to debate the proposed structure in the forum of a legislative hearing like this and with public hearings and the whole works. If that doesn't happen, a lot of people will be pretty upset about it.

The Chair: We'll move to the government side.

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Mr Hardeman: Thank you for coming in, Mr Layton. From your presentation I could agree with you that at least we agree on the intent of the bill. There seems to be some debate as to whether, in your opinion, we meet that challenge, whether the powers that will grant local autonomy are in fact in the bill, because the minister can, in your opinion, override the granting of it with regulation.

My question would really be, in the present situation, does this bill in any way deal with taking away the authorities that presently exist in the ability to tax and the ability to run the affairs of local municipalities as they see fit? Does this bill in any way detract from that?

If it doesn't, do you not see that at the very least it would improve it, and save and except the protection of having someone being able to give it sober second thought and realize if it's not going in the best interests of the electorate, both the municipal and provincial electorate of course being the same electorate—if it's not going in that direction, we can put it on hold through the minister's regulation to say, "That's not the type of tax that the people want." Do you not see this as an improvement over what we presently have in the ability of municipalities to govern themselves?

Mr Layton: It's exactly the opposite, and I'll give you just a couple of examples. Under this law the amount of funding that we would get, for example, to expand or work on the Toronto Transit Commission, which is one of the big, big areas for us, or to do sewer or water developments, we've in the past known that transit investments will be 75% paid for by the province. That allows us then to make a decision about whether to go ahead with something or not, because we know the revenue, we know what we can raise through taxes and we can decide on a project. I would say to you now that it would be impossible for us to make any decision if this law passes—

Mr Hardeman: If I could—

Mr Layton: Do you mind, Mr Chairman, if I just finish the answer? I don't want to cut you off, but if we wanted to, for example, expand the waste handling system, the sewage treatment plant or the transit system, we'd be operating in an environment where we'd put up our hands to vote to enter into contracts for hundreds of millions of dollars. But at a later point, once we've already made the commitment, the minister could turn around arbitrarily and say, "Sorry, I'm only funding you at 10%," at which point the municipality would be in grave circumstances. That thereby means that we simply can't vote for the item at all. It's this bill that gives that minister that power, so that's the problem we're facing, just to give you one example.

Mr Hardeman: I have some difficulty in understanding where you are taking out of this bill the changing in funding ratios in different projects as it relates to the ability of the municipality to make its own decisions and charge fees to pay for those services.

Mr Layton: That's a very fair question, and it appears in the bill directly, and I'm sure your advisers can alert you to the clause, that the minister is going to have—it's a combination of clauses. There's one clause that deals with unconditional grants and that whole aspect of legislation, and there's another clause that deals with the power of the minister to decide the level of subsidy, if any, that will be provided to any particular kind of project. That is in the legislation, I can assure you.

Mr Hardeman: I'd just ask you—

The Chair: Excuse me, Mr Hardeman. Mr Layton, I'm sorry.

Mr Layton: Ran out of time?

The Chair: We divide the time between each group and we have to move to the opposition. Mr Colle.

Mr Mike Colle (Oakwood): The thing that intrigues me about your presentation is the exposure of this immense taxation power that is going into the hands of one minister, the Minister of Municipal Affairs. In essence he is becoming another minister of taxation through this legislation. That's the proposition I put forward, and I think this is what this bill is all about. You have a new minister who can levy unilateral taxation powers, determine whether he feels that that tax is an equitable tax or a just tax. He alone will determine that, not the municipalities. I agree with you on that.

What I'm worried about is that what you're going to have is a minister who's basically going to tell municipalities—he'll tell North York, "If you want that subway on Sheppard, you're going to have to impose a tax on all the abutting property holders on Sheppard." Hazel McCallion, who was here yesterday, agreed that you can impose a gasoline tax and contradicted the minister who said you couldn't—and he would resign, he said.

If Hazel McCallion wants an airport tax, the minister will decide whether the airport tax will be in place. If the city of Toronto wants to impose a tax on garbage pickup, the minister will decide that. So you have a minister who in essence is going to determine what services will be paid for in a direct tax or a poll tax or a head tax or a user tax, and therefore is determining what services are going to be available, because we've got taxing powers and he determines that. He's also going to have the power to determine if you get a subway or if you get a road repaired, as the Queen Elizabeth Way is going to need that kind of repair.

Is that the essence of this bill, that you're getting taxation without representation, you're getting taxation by regulation by one minister?

Mr Layton: Yes, that is my fundamental problem with it, and it's even worse than you've described, because in fact this is a minister who will be able to tax but he won't be raising the taxes, he'll be telling the municipalities to do it, which means that the leadership of the municipality will be the ones to be punished by the voters if they're unhappy. The minister will be immune. That's the fundamental problem with this. It takes away the accountability.

I know this government has prided itself on trying to present itself as being accountable, but what's happening here is the complete reverse of that. I have never seen anything like it in democratic governance anywhere. I've been a political scientist for 25 years, teaching in the universities on these topics, and I can't find an example where in one piece of legislation so much taxation power was moved to one individual in a government situation. I've never seen it and I would challenge anyone here to show me an illustration in the political science literature where this has happened. It has never happened before.

Mr Phillips: One of the comments from the Minister of Municipal Affairs, when he made his presentation and we were talking about the power to impose fees and what not, he said that certainly this gives far more scope—I think they called it—on unlimited flexibility for fees. But the Minister of Municipal Affairs says not to worry because he has been encouraged to hear that there'll be corporate donors to sponsor such activities as library use for underprivileged children.

You're fairly experienced in Metro Toronto. Do you think that Metro will be able to find sufficient corporate donors to make sure that young people who want to use the library will be able to? Have you been able to test the waters of whether you'll be able to get enough of those corporate sponsors to take over that responsibility?

Mr Layton: We have not, but I can tell you that just about every organization in Metro is out looking for corporate sponsors for just about everything right now because of the devastation that we're facing. The symphony is facing closure and the opera company is facing closure because of the combination, the double hit, of the cuts from their provincial funding and the cuts that Metro will now have to administer because the province has cut Metro's funding.

The Chair: Thank you, Mr Layton. I apologize, but we've gone slightly over your allotted time.

Mr Layton: I know you've got to stick to your time limits.

The Chair: I appreciate your taking the time to appear before the committee today.

MARC GRUSHCOW

The Chair: Could Mr Marc Grushcow please come forward. Welcome to the standing committee on general government. You'll have 30 minutes today to make your presentation. You can use that 30 minutes as you see fit. You may want to leave some time at the end of your presentation for response and questions from members of the caucus. I'd appreciate it if you'd read your name into the record for the benefit of the committee members and for Hansard.

Mr Marc Grushcow: My name is Marc Grushcow. Everybody I've spoken to in this process said, "What organization do you represent, Mr Grushcow?" I represent solely myself in the context of these remarks. I will read my presentation, which will take approximately 15 minutes.

I appreciate the opportunity to address the committee regarding a bill that I think will significantly impact the nature of the society in which we live.

Public statements made by various members of the government, including the Premier, make it clear that the comments of some are welcome and the comments of others are not. Consequently I wish to begin by establishing my credentials.

I have never voted for the New Democratic Party and in fact sent Bob Rae a number of critical letters when he was Premier. I'm a white male who is relatively wealthy, definitely privileged and the owner of a small business. I say these things to show that I am not a member of any of the currently designated special-interest groups. I pay taxes and work hard and so have earned, in the words of the Premier at a fund-raising dinner, "the right to eat roast beef." So, demographically, I would seem to be part of the Conservative Party's constituency, and in fact the Premier and I would agree in defining many of the problems that face Ontario.

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I have read Bill 26 up to schedule M, but not the 2,000 or so pages of accompanying information. I want to talk about the bill in the context of some of the hallmarks of good government. I think we will agree on these.

A good government should respect the citizens that it governs. In our context, this means it should respect privacy; assume that citizens, including professionals, have good intent while considering that this is not universally true; and should act with restraint, taking the minimum action needed to correct a situation.

A good government should be exemplary in its actions. Citizens and businesses should be able to take a cue for moral behaviour by watching their leaders.

A good government should have respect for democratic traditions and established processes. It should not act unilaterally. Its actions should be transparent; that is, the reasons and motivations for government actions should be obvious and clear. It should negotiate solutions in the manner expected in a free society.

A good government creates an environment that fosters local control and decision-making. Decision-making should be devolved to the level of those directly affected, and once responsibility is delegated, a good government gets out of the way.

Several sections of Bill 26 seem to be at odds with these principles.

Schedule F empowers the Minister of Health and the Lieutenant Government in Council to close and merge hospitals and to define what services a hospital can provide. Further, the minister can appoint a supervisor who will replace a hospital's board of governors and be responsible solely to the minister. The only guiding principle is that the actions must be "in the public interest." What is the public interest? How does a hospital know what will bring it under the control of the supervisor? Section 9 only says, "In making a decision in the public interest" they "may consider" any of the following "as relevant including" and it goes to set a list. "May," "any," and "including" are hardly what you would call a clear set of expectations. This is not transparent, it does not deal with the problem at the lowest level and there is no consultation required.

Schedules G, H and I all eliminate the government's traditional negotiating partners in the setting of fees and

determining insured health and drug services. I suspect that the Premier and I share a number of opinions about the OMA and agreements that have been reached between it and previous governments of all stripes. None the less, the OMA is recognized as representing the doctors and is recognized in the Canada Health Act as the proper negotiator for health care issues. Governments negotiated themselves into the current agreements and this government should negotiate itself into a better one. This is, after all, what we expect in our mixed economy.

Schedule I effectively makes the OMA irrelevant and leaves the government as both the paymaster and the setter of health standards and procedures. This is not only a conflict, but it may be that legislators and bureaucrats are not the best judges of medical care. I suspect that the government could wind up with a different negotiating partner by simply asking the doctors if they are prepared to reaffirm the OMA as their representative. This would provide a fresh opportunity on both sides and leave our traditional democratic processes in place.

Schedule H is particularly troubling regarding the privacy and confidentiality of doctor-patient records. Health Minister Jim Wilson initially told us that these rules were needed in order to pursue cases of fraud by practitioners and patients. Here we see the assumption that citizens in general do not have good intent. The implication is that there is massive fraud since all citizens are punished by losing the confidentiality of their records. Recognizing the concern that this loss raised, the minister responded by saying that he would not use the provisions. This was somewhat less than transparent since in fact government access and disclosure of patient records is allowed "for the more effective management of the health care system or the delivery of health care services."

Are we talking about fraud or are we really talking about the outsourcing of health records management? This is a troubling thought since the privacy commissioner has already pointed out that privacy regulations will not bind an out-of-province company. Schedule H effectively makes doctors recordkeepers of government-owned information.

The government has adequate statistical information on which to base suspicion of fraud. If a doctor's or patient's profile indicates the likelihood of fraud, let them seize that doctor's or patient's records under a court order and investigate. This is better than allowing an inspector access to all records under the pretence of "more effective management."

I was particularly upset by schedule H, subsection 29(1). It says that anyone who avails themselves of a scheduled service is deemed to have consented to the provision and disclosure of their related medical records. If you ask me, I do not consent. I suspect that if you asked the taxpaying, hardworking, roast-beef-eating Ontarians if they consented to some bureaucrat rummaging through their medical records in the cause of "more effective management," whatever that means, they wouldn't consent either.

Schedule H also allows the minister, without consultation, to determine how many of what kind of doctors can practise in different areas of Ontario. The minister is also empowered to determine who can fill an available spot. Again, the Premier and I might agree that there is a problem concerning the number and distribution of doctors in the province. Schedule H says that the central government knows better than anyone else who should practise where. If the problem is too many doctors in the wrong places, perhaps some or all billing numbers should be distributed to communities instead of individuals. Doctors could continue to be independent professionals, but they would have to apply to a community that could provide them with a billing number. That way, communities could decide not only what kind of doctors but which individuals would best meet their needs. This presents an opportunity for an organization like the OMA to assist in determining community needs and suggesting an appropriate mix of skills. This is a great opportunity for the government to set some rules and then get out of the way.

I want to make a brief, but I think important, observation with respect to schedule L, amendments to the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act. I feel very strongly about the responsibility of the government to be an exemplar of good personal and corporate moral behaviour. Schedule L effectively relieves the government of pension obligations that it might have as a result of massive layoff of public servants. The issue of whether or not they deserve these benefits is completely immaterial. The relevant sections of the Pension Benefits Act came into force to deal with situations where corporations were winding down employee pension plans and siphoning off certain funds. Now the government, which says it should be operating like a business, is exempting itself from a law that every other business in the province must comply with. What is the moral justification for this? The government does not want to pay.

Finally, schedule M, amendments to the Municipal Act and others: Here we see the government appearing to give responsibility for increased powers of taxation to municipalities while at the same time retaining the power to take arbitrary decisions. Municipalities are given the right to raise new taxes and electors are relieved of the right to object at the ballot box. However, the minister has the right to prohibit a tax and/or specify exemptions without consultation. In the same schedule, the government defines a procedure for the dissolution of local boards of various types. In case the municipalities don't get the hint, the minister will provide a list of boards that they should consider; also, a list of boards that they must not consider. If all else fails, the minister retains the right to dissolve any local board without hearings.

In many respects, Minister Al Leach has made himself the mayor of every city and town in Ontario. This is hardly what you call fostering local control. This is the man who said on December 8, in regard to charging individuals for various police services: "Everybody has a house alarm....After one or two alarms you should be forced to pay for your bad habits." This is reminiscent of the Minister of Transportation, who said that highway patrols could be reduced since everybody has a cell phone and can call for help if they need it. Everybody in Ontario has a house alarm and everybody in Ontario has a cell phone. I don't want to take the focus away from

the substance of my remarks, but I have to ask, is there another Ontario in Canada?

In summary, I want to make some observations about the nature of this government and the previous NDP administration. Many of us objected to the NDP's attitude that they knew better than we did what was good for us. This was obvious in acts like those that deregulated—that is, shut down—various near-medical practitioners and the Substitute Decisions Act. They were always telling citizens what to do, how they should do it and who should be responsible for them since they couldn't be responsible for themselves. We viewed them as the classical socialist planners.

In Bill 26 we see many of the same realities disguised under a different rhetoric. In fact, this government is grabbing more power to centralize authority and repudiating more of the institutionalized fabric of our society than the NDP ever did. We cannot ignore the fact that the NDP became the government by accident and the Conservatives rode to power on a sustained wave of approval. None the less, I think that the message is clear that Ontarians do not like authoritarian, centralized governments, whether they are on the paternalist left or the arrogant right.

There are three things that I want to say to the government in conclusion. The first is that something like 45% of the voters resonated to Premier Harris's message in the election campaign and voted for him. I will not be so arrogant as to say that they didn't understand or that they were fooled. They had their vote and I had mine. Different people voted for Mike Harris for different reasons, but at the same time 55% of the voters said that they did not want any part of the Ontario that Mike Harris was selling.

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This leads to my second point. I can understand the sense of power and triumphalism that must accompany the attainment of such a significant majority in the House. I hope that the government will come to accept the responsibility that comes with that. In a minority or small majority situation, it is easy to say that the opposition is responsible for looking after those that the government considers the others. In the current situation, the government must come to bridle itself, to build consensus for its vision and to ensure that our democratic and social values are guarded. "Social" is not a four-letter word. Social values include concepts like mutual respect, vigorous debate and personal responsibility.

Finally, I ask, what is it that we are doing here in these committee meetings and, more generally, this activity of government? My answer is that we are shaping our society, and we have to ask ourselves what we want this society to look like. I'm sure that some of the committee members want to point out that my hallmarks of good government did not include a balanced set of books. I am not so much a fool as to say that deficit and debt don't matter and that the 1990s can only be good if they look like the 1960s. Our financial situation demands attention. Our society will look very different once we have accomplished this task. How will we get there and what will be the cost? Who will we be when we are done?

The Bible contains a verse that begins, "Justice, justice shall you pursue...." The sages, who believed that every word in the text had meaning, asked why the word "justice" was repeated. One answer was that the second "justice" referred to methods and the verse should be understood as, "Justice by just means shall you pursue." For us, this means that the just end of deficit reduction must be attained through socially just means.

If we are only concerned with the just end of deficit reduction, we will end up with a society that only an accountant could call heaven. We agree about many of the problems that Bill 26 addresses. However, they are raised solely from the perspective of financial restructuring—the proposals are, at best, quick financial fixes—and we lose the opportunity to engage in meaningful social restructuring through debate and consensus-building. These opportunities will continue to be lost until the government is prepared to argue and debate with people who disagree with it.

Thank you for your attention.

The Chair: Thank you. We'll begin the questioning, five minutes a side, with the government caucus.

Mr Young: Thank you for your presentation. I did want to point out something. One of the statements you made was, "55% of the voters said they did not want any part of the Ontario that Mike Harris was selling." I think about 37% of the popular vote went to the Liberal Party, is that right? Somewhere around there? If you read the Common Sense Revolution and you read the Liberal red book, the Liberal red book is basically a watered-down version. They said they were going to lay off 12,000 civil servants and they said they were going to balance the budget in four years. You see how tough it is to balance it in five; imagine them trying to balance it in four.

What I wanted to ask you is, we have two million people in Metro Toronto served by 44 hospitals; two million people outside Metro in the rest of the GTA served by 17 hospitals. So the Toronto district health council has said: "You're financing too much bricks and mortar. You've got 6,700 empty beds in Ontario. You should close down some hospitals." What self-respecting hospital board is going to put up its hand and say, "Pick me; we'll close"? They're not going to. So how else are you going to restructure those hospitals and get the money to front-line health care unless the minister makes it happen? How else could it possibly happen?

Mr Grushcow: My basic point of disagreement is not with respect to the fact that there are too many or too few hospitals, or too many or too few doctors, or too much money coming out of a pension plan. The point that I want to make is that there has to be a more consensual, democratic method for dealing with this. It will take longer. It may be that in the end the solution isn't exactly what the government wanted to see when it started, but at the end of the day, there will be more people who shake their heads up and down and say: "Yes, this makes sense. I understand why it happened. I don't like it, but I can agree with it."

Mr Young: What I'm saying to you is that 82% of the voters voted for major change, and we have to make this happen. This is our mandate, it's our responsibility, and this is the only way it's going to happen.

Mr Grushcow: I would really like to avoid getting into a game of who the Liberal voters—

Mr Young: I assure you I'm not playing any game here. I'm very serious.

Mr Grushcow: Excuse me, if I can finish my remarks, please. I don't think that, any more than I can say that people who voted for Mike Harris really didn't mean it, that they really didn't understand what was going to happen, as people say to me when we discuss it, "I didn't think it was going to be like this." I'm not going to stand and say that and reinterpret their votes for them, and I don't think I'm prepared to enter a debate about whether or not the Liberal voters are standing in line now behind Mike Harris.

Mr Young: But you have said they did not want any part of the Ontario Mike Harris was selling, so you are saying that.

Mr Grushcow: If you want me to an interpretation, I will make the interpretation like this: I believe that those people who voted for the Liberals, who were making some attempt at copying what Mike Harris said, did not in their hearts believe that the Liberals would have the ideological doggedness to actually do it. So there are those of us who voted for the Liberals, accepting the fact that yes, we have to come to grips with this problem.

But federally we are seeing that issue as well, and federally the difference is, I believe, whether it's true or not, whether the federal government is in fact disembowelling our social fabric in a greater way than we're seeing in other places, the belief people have is that everybody is taking a hit.

That's not what's happening in Ontario. I am not taking a hit. You're putting poor people's money in my pocket.

Mr Young: I see it differently. I think it's your money.

Mr Crozier: Thank you, sir, for coming. I'm not here to debate you. I feel my role is to listen to you, to take what you say that I agree with and try to convince the government that it should listen as well.

Much of what you have said we have heard from others, albeit not always as eloquently and not always from an individual perspective, and that's what I appreciate most of all. Essentially, I wanted to say that, and if you care to reply, or if you want to add any more emphasis to the fact that we hope the government is listening—because I don't know what's going to come out of these hearings. I don't know what's in the government's mind. I don't know how flexible they are, although up until now I have to say that in some areas it's not been very flexible. I appreciate your coming and I appreciate your comments.

Mr Gerretsen: Thank you very much, Mr Grushcow, for coming here. I think it's an excellent critique of what this government is trying to undertake with Bill 26, and I commend you for taking time to come here.

The one comment I'd like to make and see if you can comment on it is that there is a double standard here. With Bill 26, the bureaucrats and the Minister of Health are given extraordinary powers to access personal medical files. That's very explicit, and it's causing a lot of consternation because of this extra ability to access confidential files.

On the other hand, the government puts up more obstacles for citizens who want to access information, whether it be from the provincial government or its ministries or the municipal governments. They are putting in fees and all kinds of abilities for commissioners and individuals at the municipal level for outright denial of people who want to access files that the public has access to everywhere else in Canada. Do you want to comment on that?

Mr Grushcow: With respect to freedom of information, there are two comments I'd like to make. One is that it's interesting, the difference between the Canadian and the American model of public information. In the United States, the government is not allowed to charge for information relating to its citizens and demographics and the economic state of the country except for the cost of the distribution media. The premise behind that is that the companies and corporations (a) own that information and (b) have paid for its collection once already. In Canada we take another view, which says it doesn't matter that it's your information and that you paid for it; you have to pay again to get it back.

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Within the context of that, there is the second point that the freedom of information changes effectively say that in order to allow a head of an institution to indicate whether or not a request is vexatious, of course the person who's requesting the information has to say what they want the information for. There is a kind of underside to this thing, that I can't just go and say, "I would like a piece of information which the government is holding concerning me or concerning the society in Ontario that I live in." I have to go to that person and say, "This is why I want that information," the premise being that I may not deserve it, in some way. Nonetheless, I accept the fact that there was recent reporting of a case where somebody was asking for 200 requests a day, or whatever it was, and clearly was nuisance or what one might understand clearly as nuisance.

The problem we see here, as with medical records, generally is that the government is saying: "We've got a problem here, and instead of surgically dealing with the problem, we're going to get the elephant gun out and just blow it away. Incidentally, in the course of doing that, we're going to get some more money."

Mr Gerretsen: I'd just make a very quick comment and ask you to respond. The government can take the money away; Mike Harris said they wouldn't, but they can take the money away if they want to. But there's a major difference between taking money away from hospitals and closing hospitals. There are numerous examples around the province where hospitals are starting to work more closely together, particularly in the smaller communities where you've got two hospitals, and are in effect functioning as one hospital.

It's the same thing in the education field. I've got a major article here, for example, from the Kingston Whig-Standard today, that deals with the tremendous cooperation between Queen's, Royal Military College and St Lawrence College, which are three completely different institutions.

The Chair: Sorry to interrupt.

Mr Gerretsen: Thank you very much for your presentation.

Mr Cooke: I've also enjoyed your presentation—well, most of your presentation.

Mr Grushcow: I can't be accused of being partisan, I don't think.

Mr Cooke: Not for two thirds of us, anyway.

I might just give you an example that I'm sure you're aware of. When I hear Mr Young say that communities won't decide to close hospitals, in my home town we had four hospitals, and we're down to two. That was totally driven by the hospitals, and the unions were part of it and the community was part of it. They made a decision that we'd go from four hospitals to two hospitals and we're doing that, and it's been a model for the province. The only problem now is that some of the savings were supposed to be reinvested in community services and the government's decided to renege on that, so that creates a bit of a problem. But communities will do what they're empowered to do if they're given the power to shape their own health care services in their own communities.

I wanted to talk a bit about the process on this bill. I find it curious, but very positive and important, that we have had individual citizens like yourself who are coming forward. As you said, you're not representing any group; you're representing your own point of view. But I'd like to know how you accessed the information, why you're here, and whether you have any recommendations about the process we should be following. We've had a lot of concerns about the process, and as you said, there's a lot in this bill, because this bill is basically a framework that empowers cabinet. How informed do you feel you are when you don't have and we don't have all the regulations that will really flesh out what this bill is all about?

Mr Grushcow: I'd address that two ways. One is that I was fairly careful in terms of what I did here to try not to get too technically involved in the issues, because if I stand up and try to explain to Mr Young what a particular clause means, I'm losing. I don't have the background, I don't have the experience.

Mr Cooke: You could debate Al Leach and probably win.

Mr Grushcow: The reason I am here is not because of this clause or that clause. The reason I am here is to say to the gentleman on my left that you will not learn if you don't listen. Ultimately, if you only talk to yourself, what you do can be no better than what you walked in the door with. That's what I'm here for.

If you want to talk about process, I must say this: Two weeks ago I asked to appear and was told that somebody might get around to telling me that I was going to appear. Yesterday morning at 10:30 I got a telephone call that I was to call back by 11:30 because I was supposed to be on today at 1:30 and if I didn't call by 11:30 they were going to give my spot away.

I started out at the beginning saying that I'm a privileged member of this society. I walked away from my job on Tuesday morning and spent all day Tuesday in the library going over newspapers, reading Bill 26 as best I could—and as you know, it's impossible to read the thing in many sections because it says "delete these three words, stick those four words in" and you don't have the text. I don't know who the heck understands what this thing says. In any case, as a citizen this is beyond me.

I spent four or five hours in the library yesterday. I called the NDP caucus, I called the Liberal caucus, I called OPSEU, I called OMA to try to get some information. Some replied, some did not. I was up until 4 o'clock this morning putting this presentation together.

I'm sure that if I were on the Liberals' list or the Conservatives' list or the NDP's list I'd have known a week ago that I was going to have an opportunity to make this presentation because I was on the right list.

Mr Cooke: It hasn't been done that way.

Mr Grushcow: Well, I don't know. The truth of the matter is, this is the first time I've girt my loins and come in to do this kind of thing because I felt I was compelled to. With deference to the gentleman on my left, we have a moral problem with the way you are running this government—I'm sorry—and I felt compelled to speak.

The Chair: Thank you for your fine presentation. I appreciate your vigour and your coming forward.

Mr Phillips: Mr Chair, I want to make sure that everyone is aware I've filed this motion. Maybe you're not even aware, but I hope all the members have a copy of it and at the appropriate moment I'll move it, which I gather will be—

The Chair: We indicated that there's a spot this afternoon to do that. Could we stick to that timetable?

Mr Sampson: What time will we be discussing this?

The Chair: During the 4:30 spot.

Is there anyone here from the organization HALT? We'll have a half-hour recess until 2:30.

The subcommittee recessed from 1400 to 1430.

POLLUTION PROBE

The Chair: We have a member from Pollution Probe up next. Good afternoon. Thank you for coming. You have half an hour to make your presentation. You can use that time as you see fit. You might want to leave some time for questions and response. I'd appreciate it if you could read your name and your organization into the record for the committee members and Hansard.

Mr Bruce Lourie: My name is Bruce Lourie, and I'm representing Pollution Probe. I'll be speaking for 15 to 20 minutes and allow 10 or so minutes for questions.

I'll be referring to the proposed Mining Act amendments under schedule O of Bill 26. Just to let you know, Pollution Probe is not against mining in any way. In fact, I have a geology degree. I used to work for a mining company. I have a master's degree in environmental studies related to mining issues. I'm still quite involved in working with what I consider to be the upstanding mining companies that we have in Ontario.

I thank you for this opportunity to appear before the standing committee on general government as it examines Bill 26. Pollution Probe would like to address schedule O of this bill, the proposed amendments to the Mining Act.

Pollution Probe looks upon the proposed amendments to the Mining Act as an ill-advised attempt to please certain factions of the mining industry by reducing

existing environmental standards. The words used by the government to describe the changes are "cut red tape and lower administrative costs," but the reality is likely to be quick bucks for unscrupulous operators and large costs to the public. It is as though the drafters of these amendments have forgotten the history of mining in Ontario. Ignoring experience, they do not value the protection of the environment or the protection of the treasury of Ontario which the Mining Act presently provides.

Here are some of the changes to the act which Pollution Probe believes would result in significant pollution of water and land and significant taxpayer subsidies to runaway mine operators:

Closure plans would no longer be required to be reviewed for environmental adequacy and approved by government officials prior to a mine beginning operation. These amendments would remove the requirement that closure plans be scrutinized by government officials to make certain they adequately protect the environment. Instead, a company's closure plan would be deemed to be satisfactory if a hired engineer and a company official say it meets provincial standards.

How sure is the ministry that these self-approved plans will be adequate? Not at all, judging by one clause of the amendment. Section 153.1 of schedule O provides for crown immunity from claims of regulatory negligence relating to the filing, approval, review and acceptance of closure plans. This legal armour-plating is a clear sign that the ministry knows there will be trouble down the line, and it doesn't want to be held responsible. For the citizens of Ontario, this would be like buying a new car, getting home and finding that the warranty declares that the manufacturer is not liable for any problems which may arise in the future.

Financial assurance options would now include a self-assurance loophole. This is inferior to purchasing from a third party a financial guarantee that the closure will be completed in a satisfactory way. A mining company could meet financial criteria at the time it is granted the right to self-assure. Years later, when the ore body is played out or unexpected operating difficulties have arisen or commodity markets are down or an officer of the corporation has jetted off to Singapore or Rio with the contents of the treasury in hand or any other difficulty has arisen which can occur in companies from time to time, who is to say that self-assurance will be worth one penny to the Ontario taxpayer when the poison is in the river?

This rule change begs unscrupulous operators to view Ontario as easy pickings for cut-and-run business practices. It invites them to establish shell companies to exploit a particular mineral deposit. It says that in Ontario, once again, when ore bodies are played out and profits dividended out, you can leave the responsibility for the environmental mess to a penniless corporate husk. Enter the grateful taxpayer.

These fears are not mere theory. Sadly, examples of environmental damage and large cleanup costs borne by the taxpayers of Ontario can be cited from history. One example which members may be aware of is the old Deloro gold mine near Marmora in Hastings county. The Deloro mine was the site of gold mining and gold, cobalt and silver refining. The gold ore was rich in arsenic, and the arsenic tailings were left behind when the mining and refining operations closed. The Environment ministry discovered in the 1960s that arsenic was contaminating the Moira River, which runs through the Deloro site prior to emptying into Lake Ontario's Bay of Quinte at Belleville.

In 1978, the site's owner was ordered to take specific actions to control arsenic pollution of the river. The company said it had no money, and the grateful taxpayer of Ontario, in the form of the Environment ministry, stepped in to protect the environment, which includes in this case the municipal drinking water supply for the city of Belleville. Today you can drive up to the three-metre-high chain-link fence surrounding the old Deloro gold mine. Affixed to the fence are bilingual Cleanup Project Site signs posted by MOEE and Environment Canada. A third sign in universal language displays a skull and crossbones.

None of the costs of this environmental mess have been paid by the mine owners and refiners who work the ore body and refinery at Deloro. They mined, they milled, they declared their dividends, and they moved on. The costs are being borne by the people of the Moira River basin in the form of arsenic contamination in the river and the constant threat of more, and they are being borne by the taxpayer. The Ministry of Environment alone—and it has been sharing some cleanup costs with Environment Canada for five years—has spent $8 million and anticipates spending another $20 million to control the poisons abandoned at this mine.

Another example: When the tailings dam broke at the old Matachewan mining site in the fall of 1990, there was an owner, but the owner said he had only, as they say, a buck in the bank, and there was no financial assurance requirement in the days when the Matachewan quartz-gold operation began. So after the Montreal River was polluted and after some downstream municipal drinking water systems were shut down and after the owner said his cupboard was bare, that's when the grateful taxpayer stepped in and paid more than $3 million to fix the tailings pond and install a spillway.

It was experiences like these that prompted the financial assurance provision of the Mining Act.

How extraordinary are these examples? A 1993 study by the Ministry of Northern Development and Mines, four other ministries and the Ontario Mining Association identified many, many more environmental problems at abandoned Ontario mines. The pricetag for these problems is huge compared to the tiny cost savings the government is claiming it will attain with these amendments.

According to the study titled "Abandoned Mine Hazards in Ontario," there are 6,545 abandoned mine sites in the province, containing nearly 16,000 identified features which pose environmental, safety and public health threats. The government-industry study estimated that 40% of these mines are orphan sites, with no prospect of anyone but the public to inherit cleanup and liability costs. The public—that's the treasury of the government of Ontario—will also have to pay for some of the other cleanups where owners have but a buck in

the bank, according to the report. The total estimated cost to the Ontario public to fix this environmental damage is between $120 million and $180 million for the orphan sites alone. Adding the other sites whose owners are impecunious, the total could be in the quarter-billion-dollar range. The estimated savings to this same Ontario taxpayer to cancel the insurance policy in the Mining Act is $1.3 million a year, according to the ministry's October 24 news release.

Anyone who thinks these Mining Act amendments will be saving the government money is simply wrong. Queen's Park will have to pay many millions, unless it intends to stand aside and allow the environment to be degraded by abandoned mines.

When Ontario begins dismantling environmental regulations to compete with Third World jurisdictions, it courts environmental disaster from people who have already made messes elsewhere. You may have read about the Summitville gold mine in Colorado. The ore treatment facility at the mine leaked copper, acidic mine wastes and cyanide into several tributaries of the Rio Grande. The owner, Galactic Resources Ltd of Vancouver, responded by having its Summitville unit declare bankruptcy in the United States in 1992. Then it declared bankruptcy itself in Canada. The United States Environmental Protection Agency recently asked Galactic's owner, Mr Robert Friedland, to pay the $150-million cleanup cost. Mr Friedland's response? I will quote the Wall Street Journal from a story it published last month:

"Mr Friedland, speaking from his home in Singapore, declared that he has 'absolutely no responsibility' for the environmental damage at the Summitville mine...."

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Needless to say, Galactic had not put up financial security for mine closure, so the only assurance we have is that the American taxpayer will be financing the $150-million cleanup.

The interesting part of this story is the present activity of Mr Friedland. He may reside in Singapore, but his companies are active in Canada. One Friedland company, Diamond Fields Resources Inc of Vancouver, announced this fall that it is buying what could soon be a controlling interest in a 55,000-acre nickel-copper-silver-gold claim in Rainy River. As things stand now, in order to bring that claim into operation, Mr Friedland's company would have to get government approval for a closure plan, be regularly inspected, and put up financial assurance that the closure plan will be executed. If the proposed amendments are approved, the environment around Rainy River is at risk of being put into, as we say, a Singapore sling, as has already occurred in Summitville, Colorado.

With respect to the proposed Environmental Protection Act amendments respecting the mining industry, I would also like to draw the committee's attention to what at first blush appears to be a companion piece of environmental deregulation of the mining industry. The Ministry of Environment and Energy has circulated a proposed amendment to the mining regulation under the municipal-industrial strategy for abatement, or MISA. Ministry officials have told a Pollution Probe researcher that the intent of the amendment is to make it plain that rainwater runoff that comes into contact with waste rock or slag but is not captured in a tailings pond will be treated under the stormwater protocol; it will not be treated as process effluent. The distinction is important because process effluent is subject to water pollution limits, while there are no contamination limits for protection against water pollution in the stormwater protocol.

As drafted, the amendment reads more broadly than the stated intent to apply to rain runoff only. In fact, as drafted, the amendment would gut protection against mining operation water pollution by exempting tailings pond effluent from any contaminant limits. MOEE officials say the regulatory amendment is being rewritten to better reflect its narrow intent, but we'll see.

The MISA regulatory amendments, as written, taken together with the schedule O environmental retreats in the Mining Act, would result in the Chile-ization of Ontario: no effective environmental rules for mine closure; no effective enforcement; no financial assurance.

In conclusion, Pollution Probe urges this committee to amend Bill 26 to sever schedule O so it may be given the detailed individual scrutiny and consideration it deserves. I am confident that such individual consideration would result in many positive changes. I understand this splitting off of the Mining Act amendments has also been called for by both the Canadian Bar Association and the Canadian Environmental Law Association. For the sake of the environment and for the sake of the taxpayers of Ontario, I urge you to sever schedule O from the bill during clause-by-clause consideration next month.

The Chair: Thank you. We have a little over four minutes for each caucus. We'll start with the opposition.

Mr Colle: The interest I have from, let's say, an everyday citizen: If Bill 26 goes ahead, could we have what happened in Guyana happen here? I mention this especially when I see the same Mr Friedland seems to have a connection with the company that caused cyanide-laced water to go into the major river of Guyana, the Essequibo River. So could this, let's say, free-for-all that this bill's going to induce in mining cause the same type of cyanide spill in an Ontario river?

Mr Lourie: Absolutely. There really wouldn't be very much difference. As you pointed out, Mr Friedland either is or was a director of a Canadian-owned company called Golden Star that was involved in that mine, and in August this year some of the tailings pond engineering gave way and highly toxic cyanide was released into that river. Clearly in Guyana there are no regulations that required pre-approval or put aside money, as we currently have in Ontario, to pay for that kind of cleanup.

Mr Colle: So in essence, what we're doing is we're moving towards the Guyanian model of regulation. Is that what we're doing here with Bill 26?

Mr Lourie: Right. Well, we're moving to the model of any non-industrialized country, that's right.

Mr Colle: And the way it's going to affect ordinary people is down the road, it's possible if these regulations are removed, that water supplies, water that people drink, could be contaminated from everything from cyanide to what other chemicals, what other poisonous substances?

Mr Lourie: Yes, cyanide, arsenic, mercury, acid mine drainage, there's a wide range of things.

Mr Colle: Again, to the ordinary taxpayer and residents of Ontario, what does that have to do with mining? Why are those chemicals like mercury and cyanide used in mining?

Mr Lourie: In some cases, they're part of the ore. In other cases, they're used in the processing. So in many cases, you can't get around it. For example, in Deloro arsenic was part of the ore body, so when you mine and refine the ore, you have arsenic as a residue.

Mr Colle: So in a nutshell, you basically feel that the way this government is going with Bill 26, deregulating these controls, they're putting drinking water and the health of Ontarians at risk?

Mr Lourie: Absolutely.

Mr Phillips: Just to follow up on that, one of our challenges is that this is but, I think, eight or nine pages in 210 pages and if I can just paraphrase what I think you've told us, that these amendments are major amendments to the Mining Act that, in Pollution Probe's opinion, run serious environmental risks.

Mr Lourie: Yes.

Mr Phillips: Now, I recognize that that may or not be the case, but in Pollution Probe's opinion, serious risk and at the very least, I think your advice to us is that, because you believe it's serious risk—obviously the mining industry may have a different view—that this bill deserves, on its own, some very significant public hearings so all the interested parties can be heard.

The problem we're going to run into, I think, is that this bill will become law on January 29. We have a very narrow time to hear delegations and frankly, I fear that voices like yours are simply not going to have time to be heard. Your advice to us is advice that we'd like to try to implement. This is more in the form of a statement, I guess, unfortunately than a question, the statement being that we will do our best.

The Chair: At that, Mr Phillips, I'm going to have to move to Ms Churley.

Ms Churley: To follow up on that, just a very direct question: Were you or your organization consulted before these changes were made?

Mr Lourie: Not to my knowledge.

Ms Churley: Okay. I know that the Minister of Environment and Energy was recently quoted as saying that you can't have a healthy environment unless you have a healthy economy and I think it's the reverse. You can't have a healthy economy without a healthy environment. I think that's a significant reversal from in fact, I believe, the past two governments anyway, and a very significant one.

It seems to me that part of the problem with this bill, as has been outlined by you and others, that it's very significant and most people don't understand the Mining Act and all of the implications and every day we keep hearing more and more bits and pieces.

For instance, I don't know if you mentioned specifically, but it's my understanding, and you might want to clarify this for me, that mining companies will no longer be required to file an annual report and that, under the present law, they used to have to tell the director of rehabilitation, when they made changes to their mining operation, ie expanding, there was a statutory requirement and that's being eliminated.

And furthermore, even though the government in some respects is expanding some powers for inspection here, it's my understanding the staff are all being fired and there are only going to be two inspectors left and one director, who's supposed to be reviewing all the plans that are being brought forward which now, I understand, is being changed so that the director no longer can demand the company institute certain closure plans. He can turn it down, but he can't require that they institute certain plans. That's just a few things in my understanding of the bill; I'm sure there's more. Given all of that, what would you say should be done? Should this piece be taken out and dealt with separately from the rest?

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Mr Lourie: Yes. I think they are tremendously significant changes to what was a very good piece of legislation, and to have it included in such a comprehensive bill, it really takes away—I think the public is distracted—from the significance of these. So by severing it, treating it directly, having I suggest some specific hearings and opportunity for public comment on these, people will have a true opportunity to start to understand the implications and also provide their feedback.

Ms Churley: Some of the issues that I outlined, there certainly—as we get to understand this bill better, there are suggested grave implications for the environment. The issues that I outlined that I think you didn't refer to specifically, are you aware that those are some of the changes that are being made as well, ie, not having to file annual reports and all of that?

Mr Lourie: Yes. I believe that's my understanding. I've heard as well of cutbacks to staff and that there perhaps may only be two inspectors for all of northern Ontario, but that's my understanding.

Ms Churley: You think the whole thing should be scrapped and we should start all over again after consultations with all of the stakeholders in this?

Mr Lourie: Really, as I stated, we just need to take it out of Bill 26 and review it independently and have adequate public review and comment and participation.

The Chair: Thank you. From the government side, first Mr Sampson and then Mr Young.

Mr Sampson: Was there a considerable amount of time between the time in which the tailing dams broke—and I know I'm going to get this town wrong, but Matachewan, is that right?—and the time in which there was actually some action taken? Do you know?

Mr Lourie: Yes, I believe a number of years passed.

Mr Sampson: Why was that?

Mr Lourie: It was probably in a remote location. Perhaps there wasn't onsite monitoring. I'm not sure.

Mr Sampson: Do you think it had anything to do with the fact that there were some MOEE hurdles to go over, and there were actually some local township hurdles to go over, they had to declare it an emergency before somebody could actually move? Are you aware of this?

Mr Lourie: I don't know the details of the timing between the actual event and when action took place versus when the mine closed and the event took place.

Mr Sampson: But clearly it would be to the advantage—I would've thought you would've supported action on behalf of the ministry that would take immediate

action, somebody who would be authorized, if there was something happening or we suspected something might happen, that you could move right away as opposed to have to go through hoops and hurdles to get at, first of all, the perpetrator of the issue and secondly, deal with the incident itself.

Mr Lourie: Clearly, the quicker the action the better. I think the issue might be also, though, once you've identified it, who's going to be paying for that.

Mr Sampson: Right, but you want to get the guy before he takes the money out of the bank. This is the way receivers usually act. You get in right away before you go to the bank account and the cupboard's bare.

Mr Lourie: That's right.

Mr Sampson: One might support, for instance, the emergency powers that are in schedule O that says basically the minister can go in if he even senses there might be a problem. That is more authority and more power than he currently has. So you would support that?

Mr Lourie: If that were the case and there were adequate numbers of inspectors and adequate financial assurances set aside that it could be paid for, I have no—

Mr Sampson: Let's talk about the financial assurances section. A mine has a significant life, doesn't it, these days?

Mr Lourie: It depends on the ore body. It could be five years. If anything the length of a mine ore body is shortening over time because of increased mechanization.

Mr Sampson: Is it fair to say that financial assurances with respect to potential damages might change over a period of time from the moment the mine was commissioned to the moment it is decommissioned?

Mr Lourie: Certainly.

Mr Sampson: I gather you would be favouring legislation that would say, "Hey, on a regular basis, we should be taking a look and making sure that the financial assurance section is sufficient to cover the decommissioning and the potential problems created with that," as opposed to saying: "Here is the dollar. It's $1 million," or whatever the number is today. "We don't know whether $1 million is going to be appropriate 10 years from now, but today it's $1 million."

Mr Lourie: Yes. Often you might be setting aside a percentage of the fee based on the amount of tailings that are actually being generated or the revenues or the quantity, so that you're building up a base over time.

Mr Sampson: But the unfortunate part of these things, you don't know how much it costs to decommission. You don't know what the problem is until the day has occurred, and so it would seem to me that the more flexibility you had to change that the day before or certainly move in the day it occurred, the better off you'd be, wouldn't you agree?

Mr Lourie: There's some in logic in that. I think that history shows that typically the cost estimates are underestimated. Often they're changed by governments, and in my experience, where a mining company will then go to a government and say, "We're going to shut down; we're going to fire all our miners unless you allow us to get out of this provision," so in many cases, that kind of flexibility doesn't really benefit anyone, because in certain cases mining companies will use that as an excuse to get out of that kind of a commitment and to blackmail, basically, the government to keep the mine open.

The Chair: That's just about exhausted the time, Mr Sampson. Thank you for appearing today.

ONTARIO ASSOCIATION FOR INTERVAL AND TRANSITION HOUSES

The Chair: Representatives from the Ontario Association for Interval and Transition Houses, welcome. You'll have 30 minutes for your presentation. You can do as you see fit with that time. You may decide to leave some time at the end of your presentation for questions and responses. I'd appreciate it if you'd start off by reading your name and your organization into the record for the benefit of the committee and for Hansard.

Ms Victoria Roth: My name is Victoria Roth. I'm the president of the Ontario Association for Interval and Transition Houses.

This is your bill. It's a bit intimidating for grass-roots organizations. We don't have the money, the resources, the expertise in lawyers, constitutional lawyers, all of the above, to look at this and give a clause-by-clause critique of the bill in a matter of days.

I work for the association on a volunteer basis. I'm a front-line worker in a shelter, which means that my time is limited. And the reason that I'm here today is because there are some very unsettling things in this bill as it pertains to abused women and their children.

Even a cursory glance, and I will not pretend that I have read the entire thing nor that I understand it, but I do know one thing: that user fees, as proposed, to quote Mel Lastman, "on virtually anything that moves" will definitely affect the reality of women's lives, particularly women coming from abuse who end up being very poor.

Women do not come to shelters for abused women because it's an easy ride. They give up their homes. They often lose their jobs because they are harassed by their ex-partners. They have to uproot their children. They have to beg for social assistance, which maybe or maybe not they'll be able to live on, depending on whether or not they can find housing. On top of all this, now the government is suggesting user fees on virtually anything they feel like putting them on.

The other thing that's very, very upsetting is the whole notion of medical records being available to the minister or his agents. What does that mean? It's very hard to understand. Often women have to go to their doctors, their doctors are the first to hear about the abuse. We need assurances that this kind of information will be kept confidential between the woman and her doctor.

1500

This is very frightening. The whole process of this bill is frightening, that the government would have this huge document and try to ram it through and then have hearings for a week before Christmas without giving people adequate time to look at it.

I need to say that abused women and their children do not choose to be abused. Their human rights are violated every single day when they're living with their abuser. Their human rights are being ignored by the government when the government fails to provide services which will enable them to get out.

Getting out doesn't mean providing a few shelters with skeleton staff and very, very little money to stay open and then there is nothing for the women to go to, when what they're looking at is poverty, dislocation. They're taking away day care, they're increasing moneys for university or colleges, all of the things which abused women need in order to get out. Everything is costing more. And I can tell you one thing: Abused women and their children are not the ones to blame for the deficit. They would much rather stay in their homes and in their jobs and in their communities.

This bill and everything else that has gone before it since the election is taking away that escape route for women or making it more and more impossible. This government, and I would like to quote, stated prior to the election a commitment to abused women and their children: "Victims should be treated with courtesy, compassion and respect for their personal dignity and privacy." That's what this government said. "Victims should have access to social services, health care...." It seems like the only promise this government is prepared to carry through is to cut the deficit, regardless of who it hurts, and the whole commitment to abused women and children that they made seems to have flown out the window.

This bill doesn't help us. This bill makes it harder, much, much, much harder, and what in fact we are going to end up doing is making it an impossible choice. Women who are in danger of their lives by their partners—I'm not talking about a better standard of living here; I'm talking about their lives—will have to make a choice of either staying in that situation or going and living how? Where? Government is looking at taking away subsidized housing, reducing subsidized housing, reducing, reducing, reducing. Where are they to go? I don't see anything anywhere that provides services or help for those women. This is an infringement of our human rights as women, the guarantee to the safety of the person. This government seems to have totally forgotten that, and I want to go on record as having said that.

We are prepared for meaningful dialogue. Don't come to us and say, "What can we cut?" We have stated over and over again and provided each successive government over and over and over again with documentation of the needs of abused women. The services were not even adequate as they stood, and now we're being asked, "Where can you cut?"

I would like to see any of you come to my shelter and talk to the women, with their bruises and their shattered lives, and tell them you don't care where they go and you don't care what they feed their children. It's easy to sit in this room, far away from the reality, but we're talking about your daughters, your wives, your sisters—maybe your partner was abused in a previous relationship—your nieces, your granddaughters. We're not talking about a faceless entity, we're not just talking about the poor, we're talking across the board, and I think that this should be taken seriously.

All parties all the time in elections, they do the politically correct thing and say, "Of course we stand by abused women." But when there are cutbacks, it's something else. Tell the woman who's facing her partner with a gun in his hand, "I'm sorry, but we can't help you because we don't have the money." It's easy to write documents. It's quite a different thing to face them and face their children and tell them: "I'm sorry, there's no help for you. You can go and stay in a shelter for a month, but after that? Well, there are no support services. We've taken those away. We've taken away second-stage housing."

You tell me: Where are we in this? I don't see us reflected here.

Thank you. If you have any questions, you can ask.

The Chair: We've got seven minutes per caucus for questions and we start off with the third party.

Mr Cooke: A lot of your comments are on the overall approach of the government which is reflected in the bill as well as some of the other decisions the government has made. I want you to first of all understand that those of us who are sitting on this side of this table are not part of the government. We're part of the opposition, and expressing as much frustration as you are. But based on your experience and your knowledge, I guess I'd just like to ask a couple of questions that I think I know the answer to, but you're there on the front line all the time.

The cuts that have been announced already—and here I'm talking about cuts to second-stage housing and some of the social services that I would argue are preventive services or can help prevent some of the difficulties within families, those cuts—do you believe or have you seen any evidence at this point that what is happening is resulting in more violence, more abuse, and therefore, if people want to look at it in just terms of dollars and cents, more cost over a period of time to the government?

Ms Roth: Let me first clarify the second-stage housing issue. Second-stage housing provided safe housing for women and their children. Now, that's been eliminated, not just cut. It's history. That's the first thing that's really important to know here.

There was very little second-stage housing anyway, okay? Let me make that very clear. I don't want anyone to get the impression that every woman who was in a first-stage shelter moved on to second-stage. Many women do not, because there's not space and some don't find it necessary. So that's the first piece.

But what it in fact does is it puts women who are at high risk back into a high-risk situation, because, believe it or not, there are men who stalk women, who try to get their kids out of school, who harass women at work, and this is where the second-stage housing provided a time of safety where the women could be away and protected from that. And that definitely will increase.

Mr Cooke: Many, many years ago, my background was a social worker at the children's aid society. One of my concerns is that if there's not intervention or the opportunity for women to make a decision to leave and go into a safe place and they know there's no place to go after they've been at the initial shelter and they stay home, then we're going to end up seeing cases of more abuse, perhaps very significant injury and perhaps even death, because if you don't get out of that unsafe—

Ms Roth: For sure. Okay. Put yourself in this position: You are a mother, you have three children, they're small. You are now in a position where if you stay with your partner, you're putting yourself and your children at

risk, right? Now, you have to decide, are the beatings—okay, let's say your partner's not beating the children, he's only beating you. So you have to say, "Okay, is that worth a roof over my head, shoes on my children's feet and food in their stomach?" Because for sure I can guarantee you, when she leaves, she will have a hard time feeding and clothing and housing her children.

So you're asking her, we as a society are asking that woman, to make an impossible choice, and that's exactly what happens when these services aren't there. Women are saying: "I may be risking my life, but I need to feed my kids. I need to have housing."

1510

Mr Cooke: We could go on and talk about what I think we'll see as the statistics, as they did in Alberta, huge increases in the numbers of child welfare cases after the welfare cuts came into place and 22% increases in caseloads in Alberta. And at the same time in Ontario, we're cutting financial resources to children's aid societies so that the societies are only going to be able to meet their statutory obligations to investigate. We could talk about all of those.

I guess one of the things that frustrates me the most, though, is that the decisions that have been made by the government, the budget and this bill and the other cuts that were made as well, are changing the very nature of Ontario. Maybe that's what the people of the province want. I don't know. I don't believe they do, but if that's what this is all about, changing the very face of Ontario, then I hardly think that a week of public hearings in Toronto on this bill and then two weeks of public hearings in January across the province is ample opportunity to engage all of the people in this province about what kind of province they want in the future, because make no mistake about it: What we're doing in Ontario now is changing this province from a caring society to one of survival of the fittest, and I think the people of this province have a right to be part of that decision and they're being shut out.

The hearings that were offered to us—you're concerned and we're concerned about hearings a few days before Christmas and how accessible they are. You should know the initial hearings that we were offered were this week and last week, 9 in the morning until midnight, so that we'd have people appearing before us the Friday before Christmas at midnight, and this was supposed to be access.

Your frustration, I can assure you, is shared by us, that the very nature of this province is being changed, and they're trying to change it on us without you even knowing about it. I certainly appreciate you coming and sharing your frustration with us.

Ms Roth: I do have a question for the government, if that's allowed. I would like to know what will happen with the material gathered at these hearings. What will happen to that?

The Chair: Well, ma'am, it's really not a forum for grilling the government.

Ms Roth: No, I just—can you not tell me a—

Mr Young: I'll use my time to answer the question, Mr Chair.

The Chair: We still have a minute left in—

Mr Silipo: The government members will answer you in a second on that question, but if I can just pursue, to add to what Mr Cooke was saying, one of the things that in our view makes the government's approach even less understandable and less acceptable is the fact that what is driving their agenda is not so much their perceived need to cut the deficit—they justify making all the cuts in light of that—but the fact that they have to find, by their own accounts, about $5 billion to pay for the tax cut that they are wanting to provide to people across the province, a tax cut which is going to benefit, by and large, not the women that you are serving and not the people that you are serving but those that are in the highest income brackets. That is one of the things that we continue to try to point out as well that we believe is unjustified in what the government is doing.

The Chair: Sorry, Mr Silipo. With that, you've gone into the government time.

Mr Young: Thank you very much for a heartfelt presentation, and we were listening very carefully.

First I'd like to answer your question, what will happen with this material? We have people making 30-minute presentations all day. There's all the ones I get. We get a copy of virtually every presentation in writing. As well, we take notes, and we've taken extensive notes. We have meetings during the day now, we will probably have meetings over the holiday, before we go to hearings next week, and we will give feedback to the appropriate ministers and the Premier's office and we will review the information carefully. This is all part of the process that the opposition is saying we're not having, but of course we're in the midst of it right now. So that's what will happen with the information.

I would like to ask you, did you have someone advise you from one of the political parties on Bill 26?

Ms Roth: And what do you mean by that?

Mr Young: Did someone come and advise you about Bill 26 about how awful it was and how—

Ms Roth: No.

Mr Young: No?

Ms Roth: I'm sorry, I work—

Mr Cooke: She's quite capable of coming to that conclusion on her own.

Interjections.

Mr Silipo: You manage to insult everyone who comes to this committee.

The Chair: Order, please.

Ms Roth: Excuse me, I'd like to speak for myself.

Mr Young: The reason I was asking is because there's a lot of misinformation out there about this bill coming from the members sitting opposite. You said that there are no benefits in health services and that your clients have been totally forgotten. Did you know that as part of the changes to the drug benefit plan there will be 140,000 low-income people added to the Ontario drug benefit plan? I think that's good news, don't you?

Ms Roth: The only medical thing I mentioned, and it was something that, believe it or not, I read myself—

Mr Young: Oh, I believe it. It's just that you said you hadn't read the bill and you—

Ms Roth: I said I didn't scrutinize the entire bill and I won't pretend to be an expert.

Mr Young: Yes, so I just wondered where you got the information from, because there's so much misinformation out there and there's not much good news. It's hard to get the good news. This is really good news; 140,000 people.

Ms Roth: Okay, that's nice. Thank you very much for that. The main concern that I raised when I was speaking was access to medical files. This is a serious issue for abused women. That's what I chose to address because that is a serious issue. If you're going to have user fees for people on social assistance, I don't see how that is going to benefit the poor. If they are living on the minimum social assistance dollars and then they are expected to find money for more of their drugs, I think that will be a hardship. If you are saying that—and I was a single mother working on minimum wage, I had no drug plan, I had no drug card and I had to pay for my medication—if you're going to give some relief to that segment of the society, then I thank you, because that's long overdue.

Mr Young: That's what I'm saying. Speaking on that position, you might have been able to get free drugs under this Bill 26.

Mr Cooke: Copayments.

Ms Roth: I need to say that I would not want to take the money for that benefit for me from my poorer sisters. What it looks like is that you're taking the same dollars and you're stretching them thinner and you're saying to me, "Okay, I'll let you pay less for your drugs, but I'm going to make the mom on welfare start paying." I'm sorry, but that doesn't feel right to me.

Mr Young: What we're saying is 140,000 low-income people will now receive the benefits of the drug benefit plan who didn't receive it before. That's in Bill 26 and I would be fairly sure that's good news for your clients. No one had ever told you that before, so I wanted to make sure you understood that, that's all.

Ms Roth: Okay, thank you. As long as I'm not taking it from those on welfare.

Mr Cooke: You are.

Ms Roth: That's the problem, right?

Mr Sampson: To be quite frank, I'm always concerned when we talk about this subject, because it represents the dark side of the male population, something I as a male can't be terribly proud of. We should have zero tolerance for that kind of activity. What would you have said to a government that would say to you, "I don't have any money even for funding for any shelter"?

Ms Roth: I would want to know why not.

Mr Sampson: If they had spent it elsewhere and it was going to interest payments, would you be upset?

Ms Roth: I would like to know then who else is going to pay for that interest payment.

Mr Cooke: It's going to tax cuts.

Interjections.

Mr Young: What about $5 million to the OFL—

The Chair: Let's have order, please, among the committee members. Mr Cooke and Mr Young, if you'd refrain from comments.

Ms Roth: I'd be okay with that as long as you are also asking those with three, four, five times as much money as I have.

Mr Sampson: I guess what I'm driving at—maybe you're misreading me and I'm sorry—is I don't want to put this province in a position where we can't provide money for the people who need it. I don't want to do that. But I also want to create a province that's got some opportunity for the people who are stuck in the difficult situations so that they will have places to go, they will have jobs to go to. That is what I believe we're trying to do in this province, not ruin our ability to service the people that you have—

1520

Ms Roth: Okay, okay, but you're taking away the opportunities. When you take away subsidized housing and subsidized day care, you're taking away phase 1 of getting out. Initially, when a woman gets out, you tell her to go and get a job, but she has no day care; you tell her to go looking for work, but she has no money for TTC. I don't understand this opportunity thing. Women don't want to live on welfare. I know many women who got initial assistance and were off it in two years. That's the opportunity. That is the opportunity.

The Chair: Can we move to a member of the opposition?

Mr Phillips: Do we have seven minutes altogether?

The Chair: Yes.

Mr Phillips: Just a comment first, because I must respond to what the Conservative member said, and then questions. Just to make sure everybody understands, the Conservative government ran on a platform of promising—and it was written promise in detail—no new user fees, no copayments, no fees on seniors for drugs—

Mr Young: No copayments.

Mr Phillips: No copayments. That was a clear, factual promise. This bill, Bill 26, allows them to implement—it says here, "Social assistance recipients and seniors will be asked"—not asked, but it says "asked" but will be forced, "to make a copayment of $2 per prescription."

I want to make that very clear. It was a clear promise that they wouldn't do it. This law now forces seniors and people on social assistance, each time they have a prescription, to pay a $2 fee. I just want that on the record.

Mr Gerretsen: My wife worked for a number of years in an interval house and a transition house so, you know, certainly from some of the stories that she used to tell me, I completely accept what you're saying without any hesitation at all. Could you just give us some statistics though? How many houses do you represent, just in broad terms.

Ms Roth: I was expecting the statistics question.

Mr Gerretsen: No, how many are there across the province?

Ms Roth: How many houses are there? I don't know. Not all transition houses, shelters, belong to OAITH, because they can't. Let's say it's 70, but my problem with the numbers game is how many numbers does it take in order to be heard, you know.

Mr Gerretsen: No, no, no, I just wanted to get some notion of the severity of the problem.

Ms Roth: The severity of the problem is—I mean, you all read it in your newspaper that 80,000 people use them.

Mr Gerretsen: Some 80,000 people. Okay, that's—

Ms Roth: I don't know, is that severe enough?

Mr Gerretsen: Yes, that's good enough.

What would you suggest the government do in this regard? We know that you're basically saying Bill 26 is something directly contrary to—but—

Ms Roth: What I would say is—

Mr Gerretsen: —in order to more effectively deal with the abused women and children situation, what suggestions do you have?

Ms Roth: The suggestion I have is that the government look at its own statement where it says it is imperative to provide services for abused women and their children and do it. That's my suggestion.

Mr Gerretsen: And would you agree with me that in the long run, by doing that more effectively, in effect, the economic benefits to society far outweigh not doing anything at all or at least cutting off funding for a lot of these places? Would you not agree with that?

Ms Roth: I think that's pretty self-evident, but I think the broader issue is, are we going to tolerate violence?

Mr Gerretsen: Absolutely.

Ms Roth: I mean, why do we have to tie this to—if I can prove to the government that by providing services for abused women and children, it is going to save some money—excuse me, I don't want to play that game. I want to say that by providing services for abused women and their children, they are saving lives. That's what it's about. It's do we value our women and children or not?

Interruption.

The Chair: No representations from the gallery, please.

Mr Crozier: I'm certainly not here to debate you or to question your ability to make up your own mind, so I'll ask a question of you with regard to privacy. A previous Conservative candidate has been appointed to the Social Assistance Review Board, and I want to quote from her and then I'd like your comment on it with regard to privacy.

Evelyn Dodds is quoted as saying, "The right of the public to protect its money must outweigh the right of an individual to privacy." She told a Legislative committee that in 1994. Would you agree with that, or would you comment on that?

Ms Roth: Well, If that's a reflection of the values of our society, I'm ashamed to live in Ontario, because we're not talking about the right to privacy being a frivolous thing when it comes to abused women and their children, we're talking about putting their lives in danger. So what you're basically saying is the government's right to know what is happening to their dollar is more important than a woman's life.

Mr Young: That was not in reference to abused women, okay?

The Chair: Mr Young, you've had your opportunity, it's the opposition's—

Mr Crozier: I didn't say that, sir.

Mr Young: No, but that was the inference.

Mr Crozier: You're sounding more like the criticism you gave—

The Chair: Gentlemen.

Mr Crozier: It's still my time?

The Chair: Yes, it is.

Mr Crozier: You're sounding more like the criticism that you gave me this morning about someone interrupting.

I appreciate your comment in that respect. I wonder, have you had the opportunity to hear any of Minister Cunningham's remarks with regard to the fact that they are not reducing the availability of second-stage transitional houses, I guess it would be? Apparently the houses are still there but there's no money to operate them, is that correct?

Ms Roth: If you put women into an apartment building and call that second-stage housing, then I guess it hasn't been eliminated, but that's not quite true. There is actually one of the second-stage housing whose funding is directly related to their programs where the actual building and units will be gone. So that statement may be applicable in a couple of cases, but it certainly isn't applicable in all.

Mr Cooke: No security.

Ms Roth: It's not even just a case of no more security where you have situations where the support staff was replaced by a part-time security person, but you also have the situation where the actual building, the unit, will be gone because they were dependent on being in that category. So that won't be there any more.

The Chair: Thank you, Ms Roth. We've come to the end of your half-hour. I'd like to thank you on behalf of the committee for taking the time to appear before us today. I appreciate it.

I would appreciate, members, if we would try to refrain from arguing across the aisle. We all do have our time. I understand that we can get frustrated at times, but in respect to the limited amount of time the presenters have, if we could keep that to a minimum, as we have up to now, it would be appreciated.

Would Rhonda Payne be here from the Social Action Committee of the Faculty of Social Work? Rhonda Payne?

I believe the clerk has gone to look for Ms Payne, so I'm going to have just a quick five-minute recess.

The subcommittee recessed from 1528 to 1532.

FACULTY OF SOCIAL WORK, UNIVERSITY OF TORONTO

The Chair: That's the end of our short recess. If we could have members from the social action committee of the faculty of social work, University of Toronto, come forward, please. Good afternoon and welcome to the standing committee on general government. You have 25 minutes today for your presentation. You may want to leave some time at the end of that presentation for a response and questions from the three caucuses, but the 25 minutes is yours to do with as you wish. I would appreciate it if, before you began, you would read your names and your organization into the record for the benefit of the committee members and Hansard.

Ms Rhonda Payne: Okay, thank you. My name is Rhonda Payne and I represent the faculty of social work at U of T, the social action committee.

Ms Nandini Saxena: My name's Nandini Saxena and I'm also a member of the same committee at the U of T faculty of social work.

Ms Sajedeh Zahraei: I'm Sajedeh Zahraei. I'm on the same committee as well.

Ms Payne: I'd like to begin by apologizing. We don't have anything written because we were just informed yesterday at noon that we were coming to present. So we very quickly came together and cobbled together some of the most important points that we thought of. So I'll begin.

Though we're here representing the social action committee of the faculty of social work at U of T, we're not addressing aspects of the bill which will affect our future job prospects or even the immediate concerns of our clients. We're here as citizens concerned about the erosion of the democratic process that Bill 26 represents. Democracy has been eroded by the lack of public consultation until this moment, the size and scope of the bill and the manner in which it was introduced to the Legislature.

The Conservative Party claims to be a populist government which is concerned about the voice of the so-called ordinary citizen being drowned out by special-interest groups. If this is so, then they should be opening up public debate to the ordinary citizens, not shutting it down. I think there are many mechanisms for doing that. If they seem unsuitable, then there should be more research into doing that. We firmly believe that ordinary people should be involved more in parliamentary decision-making and consultation.

Page 19 of the Common Sense Revolution says:

"We are ready to listen, to learn and to work with anyone who wants to join us and who can show us more creative, more effective ways to end waste and duplication....

"But how we get there will be discussed in partnership with all Ontarians."

I think Bill 26 is a prime example of how the Conservative government is not living up to that. There are so many changes being passed all at once, very quickly, and what I read in the paper was that even Conservative backbenchers were running around trying to get a copy of the bill on the day that it was presented. It was also apparently announced while opposition MPPs were still analysing the financial statement. My question is, is this real democracy?

I think some of the comments made by some members of the Conservative government are also reflective of this lack of concern for process. Ernie Eves criticized Speaker McLean by saying he could have avoided the whole mess by taking the opposition's refusal to vote as zero against the bill. This was reported in the Toronto Star. I think this is evidence of lack of due process. I think there was a very good reason for the opposition, and to write it off in that manner just ignores democratic process.

The other comment that I very strongly objected to was Mike Harris's comment that the opposition MPPs who stood up in the Legislature on the day that the bill was attempted to be passed were acting out because they lost the election. That's not verbatim; that's what I remember of the comment. What that is is a denial that there was an absence of alternatives, that it was very difficult to stop the bill otherwise. It was a desperate measure that was directly proportionate to the desperation of the situation, and the entire faculty of social work sent a letter of thanks to the MPPs who did stand up. I hope they all got to see it. A lot of people were very enthusiastic about signing that thank-you note because they thought it was a very brave thing that Alvin Curling did.

One of the other things that was in the Common Sense Revolution was that we need to have less bureaucracy, which I think is a goal that most people would approve of, but if that is what you're attempting to do, then why pass this huge bill of 2,225 pages, I think the NDP government said it was, that very few people can read?

Mr Cooke: When you add up all the compendiums.

Ms Payne: Okay. Before I get into the details of our objections to this, there are a couple of comments that I'd like to make.

The Harris government has made a big deal of the fact that it has a mandate for deficit reduction. First of all, Marnie Hays of Metro Tenants Legal Services made a very good comment. She said they have a mandate for deficit reduction, not democracy reduction.

Interjection.

1540

Ms Payne: I thought it was great too. Second of all, I was asked why I brought the election returns along with me. I found it very interesting that in the election returns it summarizes the fact that 44.8%—and this is valid ballots cast, so it wasn't people who just spoiled their ballots—of people voted for Harris, which means that 55.2% voted against Harris. Is this a mandate? Regardless of the structure of our parliamentary system, which gives them an overwhelming number of seats, I think the number of people in Ontario really puts into question whether this is truly a mandate.

The other thing I wanted to say before I started is, I'm going to be referring to health care aspects of the bill, but not so much for those parts of the bill themselves, just to illustrate the point that I'm going to make about democracy and centralization of power.

The first thing I wanted to start off with was how Bill 26 shows how the government is restricting citizens' access to information about government institutions, but at the same time it's increasing its own access to private citizens' rights. Re the Freedom of Information and Protection of Privacy Act, it says that institutions will be able to deny access to a request if it's deemed frivolous or vexatious. There doesn't seem to be any description of what "frivolous or vexatious" is. Is it left to the institution to decide? I would seriously question whether an institution would have the capacity to fairly assess such a decision.

The other part that we object to is that the fees that are proposed for both the applications and for the appeals will be a strong deterrent to many people who won't be able to afford them. You'll have differential access to something that I think all citizens should have access to. Tom Wright, the Information and Privacy Commissioner, has said that these measures will threaten the fundamental right to know what is happening to the government. This is a right of all citizens, not just people who can afford

to pay for it, and to take this right away is not consistent with a government that claims to represent the interests of the ordinary citizen.

The other aspect that I want to look at in terms of Bill 26 is the centralization of power. I'm going to get into some of the specifics here. Re the Municipal Act, it says that there's no provision for public involvement in municipal restructuring, that the commission for any restructuring would be set up and directed by the Minister of Municipal Affairs, in this case, Al Leach, which, again, is cutting out public involvement.

The minister will be able to allocate road and transit grants based on discretion rather than formulas. I'm not particularly enamoured of formulas myself, but I also don't think that just on the discretion of the minister is very fair. I would ask: Where is the accountability? Is that mentioned in the bill? Will there be consultation on these kind of fees? This should be clearly indicated within the bill, if this must be passed.

Another example is section 5 of the Public Hospitals Act. It gives the minister power to decide financial aid on his own, previously defined by regulation. In other words, before this was set out by regulation and now the minister has the power to do this.

Section 6 gives the minister power to close or determine what services are available, if in the public interest. I think we'll talk a bit about public interest later. That's a problematic idea right there.

Section 9.1 defines issues to be considered in determining the public interest, but these are issues, they're not standards. That left us with a lot of questions about how this idea of the public interest will be determined.

We're still left in the position of being forced to rely on the minister's questionable ability to determine the public interest. While we're particularly concerned about the current government, this concentration of power is problematic regardless of which party is in power. So this isn't just targeted at the Tory government; this is a concern that would be ongoing.

The next one is the Health Insurance Act. The minister will unilaterally determine what is an insured service, and apparently there's no mention of services that are medically necessary. Previously, this kind of determination happened with negotiation with the OMA. Now it is centralized in the Minister of Health. Our question is, what expertise does the minister have to do this? At the same time, the current government has shown an unwillingness to consult with people. These two considerations combined together make us very concerned about what would be determined medically necessary, what would be funded, but also just what position does the minister have to shut out other bodies.

We'd also like to mention the fact that on page 6 of the Common Sense Revolution it says, "Under this plan, there will be NO new user fees," and "no" is in capital letters. This is what the people voted for, and here we're opening up the possibility that user fees may be installed if certain services are decided to be medically unnecessary. I don't think this is what people voted for.

On page 5 of the Common Sense Revolution they mention the goal of redistributing decision-making power away from the politicians and bureaucrats and returning it to the people themselves. Well, I think some of these examples have shown that this is not what's happening now; this is a promise that was made that is not being carried out.

I'll return to "public interest." We have a lack of confidence in the Conservative government to say what the public interest is, for the following reasons: first of all, "public interest" isn't defined, and second, the government seems to have its own definition of what special-interest groups are, and there is again the lack of respect for due process. I think some of the policies are very shortsighted, such as the environment, such as health care. The long-term impacts of these policies are not being looked at.

I'd like to return now to special interests, because this is really a key point, both about Bill 26 and about the government in general.

Within Bill 26, the Independent Health Facilities Act, though it's not spelled out right in the bill, critics have said this opens the door for American for-profit companies. Allowing American for-profit companies into our public health system, first of all, doesn't help the public health system, and second, doesn't help the Ontario economy. I think American companies will take profits out of the province, and that is a concern that expands far beyond the Health Act.

Another example is the Forest Fires Prevention Act. Apparently, after the passage of this bill, it will no longer be required to have work permits before carrying on logging, mining, and of these kinds of activities, within 300 metres of a forest. This may benefit commercial interests—it may speed up logging and it may help them with their profits—but I think it puts the lives and property of Ontarians at risk, and also runs the risk of higher firefighting expenses.

One last example is the Mining Act. Section 15 of the current Environmental Bill of Rights calls for 30 days of public comment for a bill having a significant effect on the environment. If Bill 26 is passed, that is obviously overridden. What is being also put in here is the self-regulation of mine closure activities. This puts the control of such activities into the hands of commercial interests, which are special interests; in other words, profit-making mining companies. This is not in the public interest, which would be protection of the environment, protection of our water table, protection from noxious chemicals.

This is really the core of the problem, that the current government is defining special-interest groups in a way that leaves out the businesses, which we feel are special-interest groups in themselves. Not that they have any less voice than anybody else, but they should not be given privileged voice, and groups such as social activist groups, social justice groups, people who are concerned about social services, are being pegged as special-interest groups.

There are two comments I'd like to wind up with. In a lot of the criticism that's come out about responses to the Harris government, people are saying: "Well, people don't like change. We're bringing in some new, revolutionary acts and people just don't want to make the change." We would like to say that a lot of these actions are not new and this is not revolutionary. We think this

is sending us back to a time when more people were disenfranchised, when more people did not have a say.

1550

Finally, in response to the criticism that is also quite prevalent, that, "We have to cut the deficit, and that's the priority," we're not saying that the deficit does not need to be cut. We are saying that there are alternatives that do not threaten democracy. The connection here between democracy and deficit-cutting is very spurious. Second, it doesn't need to happen in a way that hurts the province. Alternatives have been offered. Unfortunately, I didn't have time to compile a reading list, but the Social Planning Council has very good resources in that sense, and the Ontario Secondary School Teachers' Federation has put out some good information as well.

On that note, I'd like to conclude. We welcome any comments.

The Chair: Thank you very much. We have two minutes per caucus, starting with the government caucus.

Mr Young: Just a question on freedom of information. What I would define as "frivolous or vexatious" is that an individual has a bone to pick with an agency or with a municipality or a school board and they ask repeatedly for more and more information. It ties up the staff, and at an estimated cost of $30 an hour or more, it costs a great deal of money. That's what we're trying to address. Sometimes it takes hundreds of hours; it could go that high. Would you accept any definition of "frivolous or vexatious"? How would you address that if you were the government?

Ms Payne: I think it should be spelled out very clearly what kinds of frivolous requests you're trying to target. You gave a very good example right now. I know it's very difficult to be that specific within a bill, but I think an attempt should at least be made. If it can't be made to the satisfaction of the public, maybe it should be left out and there should be another alternative considered.

Ms Saxena: Another question is, why is the government trying to restrict access, the public's right to have information about what is going on in the government? Why does the government want to do that?

Mr Young: I don't think they are. I think they're just trying to address the cost and the administrative procedure.

Ms Saxena: As long as that is clearly stated in the act, I think that's great, but it has to be clearly laid out. Otherwise, the government can abuse that power very easily.

Mr Hardeman: Thank you for coming in. You mentioned the issue about no public consultation for municipal restructuring, and I just wanted to point out that the minister's prerogative to appoint a commissioner is done upon the request of the local government, upon which time they've had, hopefully, enormous opportunity to speak to its electorate about what changes they want to make or feel appropriate to make. Beyond that, there's nothing in the legislation that would prevent the commissioner or the commission from looking at more public consultation to make its decision as to what was appropriate for restructuring that particular area of the province.

I would just point out that the minister's prerogative is extended to what it presently is, the difference being that today it can only be settled through legislative changes, which has been done in a number of cases, to the chagrin of the people involved, but the new way would give the minister that authority to help settle local solutions.

The Chair: Thank you, Mr Hardeman, for that comment. Now we must move to the opposition.

Mr Gerretsen: Just following up on that last point, the major change is this: When it was a legislative change it would have to come back to the Legislature and be debated there; if the minister has the power, it can just be done by way of regulation.

I'd like to congratulate you on your presentation. I take it that you're a student organization within the faculty of social work?

Ms Payne: Yes.

Mr Gerretsen: You very quickly have picked up on some of the relevant points that have been argued before the committee. When did you make your request to appear before the committee?

Ms Payne: That's a very good question—I almost forgot to bring that up—because that is part of our concern about the process. Very shortly after these hearings were announced, we did make a request and, quite frankly, got the runaround. One of the committee members phoned and was told that the date hadn't been set yet and, "We'll get back to you" and they didn't say when we would hear, when the dates apparently had been set; the NDP party had sent out dates. Then I phoned and was told that now there was a waiting list, so we got put on the waiting list. I got phoned yesterday at noon to say, "You have a space here." We had very little notice.

Mr Gerretsen: Just so there is no misunderstanding, as you mentioned the NDP, you're coming in here on your own accord and you're not here to represent any particular party or anything like that?

Ms Payne: Oh, no.

Mr Gerretsen: That's right. Thank you.

Mr Silipo: I think we all would be in some awe if you had had more time to prepare, because even in the short time, you've given us a very useful overview of the concerns, which we've heard from a number of presenters here already. We can only hope that many others, particulary the social profession you are going into—I don't know whether we're going to be hearing from that association, but we look forward to those comments.

What we're seeing here, as you pointed out, is instance after instance where the government is putting in place pretty draconian measures to restrict access to information by individuals. You made the point that at the same time, the irony is that the government is actually getting more into the information of individuals.

It's interesting the point Mr Young made, that one of the things the government is doing through this bill is restricting access to everyone by virtue of now removing the free portion of the searches; the first two hours of searches up until now have been free. That's going to make it difficult for a lot of people to access information.

What I wanted to ask you about is that you said you don't think this is what people voted for, referring to the user fee. We're seeing instance after instance where what

the government said and what it's doing are two different things. What's your perception out there among your fellow students, other young people you see and people in general? Is that a perception that is beginning to set in, in your view, or is it still going to take a long time before people realize that what this government is doing is far, far more draconian than it ever suggested it was going to do?

Ms Saxena: We're in the faculty of social work and we're all doing placements, so we're also involved in lots of different agencies around the city. We are finding that in many, many social services agencies and among a large portion of the student population, people were already against Harris anyway because of the things he mentioned he would be doing in the Common Sense Revolution. But it is beginning to take root, the seriousness of the things he is doing and how he is going far beyond what he originally said he would be doing. I can really only speak about what I've seen from other students and from people in other faculties.

The Chair: Thank you very much. I appreciate your coming in today to make your presentation.

TAXPAYERS ALLIANCE

The Chair: The representative from the Taxpayers Alliance, good afternoon and welcome. You've got 30 minutes to make your presentation, which you can use as you see fit, but you may wish to leave some time at the end for response and questions. Begin by stating your name and the name of your association.

Mr Ray Morand: Thank you. It's the Taxpayers Alliance. My name is Ray Morand, the executive director. It was fairly short notice for our appearance here; however, we tried to do a quick overview of what we saw in the omnibus bill.

The Taxpayers Alliance has goals and objectives, which are:

—To make politicians at all levels of government fiscally responsible and accountable to the taxpayers who elected them.

—To strike a reasonable balance between the quantity and quality of government services and programs and the public's financial ability to fund them.

—A public vote on mill rates and critical budgets in order to control the revenue-raising procedures by local governments.

—The direct election of all members of local boards and commissions.

—The right for municipal government to reject top-down programs mandated by senior levels of government.

—A limit of two consecutive terms of office for all municipal elected officials.

—Recorded votes on at least all money motions voted on by municipalities, school boards, local boards and commissions.

—The consolidation and rationalization, not amalgamation, of municipal bureaucracies and service departments in order to reduce duplication at every level.

We use these goals and objectives as our guide in examining these proposals. The purpose of this bill is "to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda." To do this, you wish to amend a number of acts, enact three new acts and set them out in a schedule. Let's deal with these one by one.

1600

Schedule A, the Public Sector Salary Disclosure Act: "To assure the...disclosure of the salary and benefits paid in respect of employment in the public sector to employees who are paid a salary of $100,000 or more a year." We are in favour of this and might suggest that it be broadened to include all publicly traded companies in the province of Ontario.

Schedule K, amendments to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act: We believe these two acts are the cornerstone and foundation of the taxpayers' ability to keep our governments under control and the public properly informed. We do not support a department head being able to simply decide that a request for information is frivolous or vexatious without a strong right of appeal.

Schedule M, part I: We believe many of these changes will lead to significant savings to the taxpaying public.

Part II, schedule M, other statutes relating to municipalities, Municipal Franchises Act: "A municipal corporation is given the power to pass bylaws eliminating the requirement to obtain the assent of the electors before exercising any power under the Municipal Franchises Act or any other act." I'd like to know which fascist thought that one up, especially that last little bit "or any other act." We are opposed to any attempt to remove accountability to the taxpayers from the laws of Ontario.

The Public Utilities Act: "The requirement to obtain the assent of the electors before exercising a power under the act may by bylaw be waived by the municipal corporation." It must be the same fascist at it again, no doubt using the old civil service theory that if we just appointed our politicians for life, we could save a bundle on election costs. We are opposed to this for the abovementioned reasons.

Schedule Q, amendments to the Fire Departments Act et al series of acts "to require arbitrators to consider specified criteria, including the employer's ability to pay." We consider this a major advancement. Finally the government is actually going to force and recognize, at least in a small way, the principle of ability to pay. We believe this is a good first attempt to bring fiscal responsibility to Ontario and our organization will continue to do all in our power to support such actions.

Keep up the good work and the best of seasons greetings for you all. Remember, there's only one taxpayer, and that's you.

The Chair: We have about eight minutes per caucus, and we'll start with the opposition.

Mr Phillips: You've mentioned schedule M, municipalities. One of the areas we've had the most debate around is the area of user fees and taxes and charges that are now available to municipalities that weren't there before, a whole new section for them to raise fees and taxes. The government said that it's intention here was to provide unlimited flexibility for municipalities on fees

and charges and allow them to override all existing limitation on user fees. These proposed amendments confer significant discretionary power on councils. As a matter of fact, all they need to do now is pass a bylaw, and as you rightly point out, there's no appeal to the municipal board. They need not get any approval from the electorate other than the bylaw.

Mayor McCallion was in here at the start of the hearings and we asked her what was now possible under this; for example, "Could you have a gasoline tax in the municipality"? She said: "Of course we can. I can tell you that when we discussed integrated transit in the greater Toronto area, the only way that we can have integrated transit in the greater Toronto area—and we discussed it, all the municipalities, all around Metro Toronto—was a gasoline tax. We asked the government to pass it. Now we might have that opportunity to put it in." In other words, she is saying, "This is great, because we can now impose a gas tax; we want this integrated transit system and this allows us to impose a gas tax," by a mere bylaw, I might add.

Does the Taxpayers Alliance have any view on that section of the act?

Mr Morand: Yes, we do. Probably you'll find some municipalities that will attempt to do it. I don't think there's any question about it. What will happen is that the province is going to have to step in and prevent it from happening. I believe the theory is great, what they're trying to accomplish. They're trying to bring the responsibility down to the local level where the services are provided.

In actual fact, being able to do that through these changes is a dicey proposition indeed. I have some awareness of what faces municipalities because my brother is in the unenviable position of being the chief administrative officer for the city of Kingston and so I hear what's happening.

Mr Gerretsen: Oh, yes, I know your brother; John.

Mr Morand: I can see some of the problems that are going to arise from this. However, the government simply can't stop and say: "Well, there's no solution for it. We'll just throw our hands up and we'll keep on going as we have." I believe they've made an honest attempt to try and deal with some of these things; in some areas, have perhaps gone too far. If some of these things were to go through in their entirety, if all of them were to go through, there would be some problems down the road.

However, the government has to do something. We have a debt that is just enormous. It's hanging over us both at the provincial level and at the federal level. If we don't do something about it, we and definitely our children are going to suffer from it.

Mr Phillips: I want to make sure: You're in favour of giving the municipalities the right to impose a gas tax or a sales tax? By the way, many have said they will do it.

Mr Morand: No, we're not in favour of it. However, we see great difficulty in achieving some of the things they want to achieve without making some of these changes. That's why we've insisted that any place where there is what we would consider to be a retrograde action not take place; for instance, removing the requirement of assent from the electorate for the franchises act and so on and so forth. That's why some of those changes are in there, so that they would be able to do this in other areas.

Mr Phillips: But you're against that section of the act that would allow municipalities to impose a gas tax.

Mr Morand: Yes.

Mr Phillips: Good.

Mr Gerretsen: I find your presentation very interesting because in the end you basically say, "It's a first good attempt," but you also call two of the ideas in the legislation "fascist," and it's not my word, it's your word, it's right in here. If I were to look at this document as something that could support my position as a government—which of course we're not, we're in the opposition—I'd be very leery of a document that also calls me "fascist" at the same time.

Having said all that, of course, it's been our position throughout that one of the main things that is driving this is not the $10-billion deficit, which I think everybody agrees something ought to be done about—some people say a little bit quicker, some say slower, what have you—but what's really driving this is the $5-billion tax cut which has been promised as well, which in effect means that you've got to take $15 billion out of the provincial government system. Does your association have any position with respect to the tax cut?

Mr Morand: Yes, it had better be delivered. It was promised and it had better be delivered. I think the politicians on the government side are aware of that. There's an enormous and inordinate amount of publicity concerning this and there are great attempts to say, "Now the government should back off a little bit on this." I think they do that at their own peril.

It's the old saying: You can't have any gain without some pain. We're going through the pain. We'd better get the gain from it; we'd certainly better. It's our position that tax cut would increase the revenues of the government, along with the cuts they're doing. There would be an increased economic activity in the province. The question is, where that shortfall comes in between when one kicks in as a result of the other.

Mr Gerretsen: So it's your position then that the government should pass this massive bill of over 200 pages, even though in your own terminology some of the ideas are fascist in the bill?

Mr Morand: No, we'd like to see them change a couple of the things in there, as we noted very particularly, specific things that we feel need to be changed.

Mr Gerretsen: Would you agree the bill should have been chopped up in a number of smaller bills so people can get a much better notion as to what's going on?

Mr Morand: No. The reason for it is that all it does is lead to more delay, more time taken by the government. I'm afraid we're of the opinion that one of the unfortunate aspects of government—I guess it's fortunate and unfortunate, both at the same time—is that if you want to do something, you've got to get it through, and to get it through you've got to have some discussion on it. If you break this up into, say, 20 sections, you're going to be going through this process 20 times. You might as well go through the pain once.

You can make the argument that it should perhaps be a little longer discussion on it or a little shorter period of

discussion on it, but the simple fact of the matter is that many of these changes have to be made. When are you going to do it? Are you going to do it this year? Are you going to do it next year? And the year after?

1610

Mr Silipo: I'm a little clearer now that there have been a couple of questions to you about your position on the question of tax increases, because in looking at some of the literature you've given us and from my understanding of your organization, I've always understood it to be certainly one of your key—

Mr Morand: Death on taxes.

Mr Silipo: You're against tax increases.

Mr Morand: Yes.

Mr Silipo: So I was puzzled, in looking through your brief and in listening to you, that you wouldn't have talked at all about your concern about the right that municipalities are gaining under this bill to raise taxes. I want you to talk a little bit more about that. If you're calling, as you've been calling, for a revolt against the unjustified increases in taxes across the province, why are you so calm about the sweeping powers that municipalities are gaining under this bill to raise taxes? We're not talking about just user fees here, which is one category of taxes; we're talking about gas taxes, poll taxes, gasoline taxes, sales taxes. These are rights that municipalities are gaining under this legislation.

Mr Morand: Yes. It's a devolution of power. We think some of that's very good. We've been for it for a long time. One of the advantages we have as an organization is that it's easier for us to impact a municipal politician than it is to impact one of you fellows. It's much easier. We're closer to them. We can have a greater impact on them. Usually they're only in for three years, whereas you could be in for five. They have to be a little more careful about what they do. They're closer to the people, and they hear about it a heck of a lot sooner.

Mr Silipo: You like the idea of municipalities having all of these wide powers because you think you can better prevent them from raising taxes?

Mr Morand: No, we feel that, should one of these municipalities do something as outrageous as some of these things, the provincial government is going to step in very quickly and stop it. We don't think there's any question about that, because they want to get re-elected.

Mr Silipo: Then what's the logic? Explain to me the logic, then, because you're saying at the end of the day you don't want municipalities to raise taxes. You're pretty clear about that. Why are you not objecting to them having the power if you think that at the end of the day, if they exercise the power, the minister is going to step in? What's the point of giving them the power?

Mr Morand: If you look at some of the wording we used in there about some of the changes—"any other act," for instance—you'll see that if those were gutted from this, they wouldn't be able to do a number of those things. That's why we stuck to those specific areas that we think we can make a change on. I suspect the most important thing that will come out of these hearings is that—because the government can do what it wants, it has the majority, and it didn't have to have these hearings if it didn't want to, because he's got a long time before the next election. If things pick up significantly, the political reality is that the people will say, "Well, that was kind of tough, but it's great now; things are good."

Mr Silipo: We still have a democratic process, fortunately.

Mr Morand: Although these people haven't been in power for a while, we're not dealing with neophytes. They know what they're doing, and they know that they want to get re-elected. This is always the reality for a politician, at any level, at any time. But some of the principles that we're for we see in this bill and we're quite interested in it. For the first time, we see the government saying there will be some recognition, a forced recognition even to an arbitrator, that they have to talk about ability to pay. These are profound changes.

Mr Silipo: Okay, but you haven't answered my question about the taxes. Let me just come back at this other point. Mike Harris built his reputation, I would say, on being the Taxfighter; again, the equation being that he was against increasing taxes. Indeed, as you said, and you're going to hold him to the promise, he's committed himself to reducing provincial taxes by 30%. I happen to agree with you. I think he's going to follow through on that promise—

Mr Morand: He'd better.

Mr Silipo: —despite the fact that it's going to, I think, cause devastation across the province. You and I disagree on that, but time will tell.

Don't you think that it's inconsistent, if not hypocritical, for the Premier on the one hand to be saying he's going to cut taxes, but what he's going to do is he's going to allow municipalities to increase taxes? Who is really going to be increasing taxes at the end of the day, when he's cutting grants to municipalities, giving them the power to tax, the power to raise user fees? Isn't he really just indirectly, maybe not even that indirectly, raising taxes?

Mr Morand: I think there are some differences here, because one thing is that, fortunately, they're going to be user fees; they're not going to be taxes.

Mr Silipo: You don't know that. Municipalities are gaining the powers to raise taxes as well.

Mr Morand: Wait a second. Let me finish this. Let me finish this thought first.

Mr Silipo: I want to hear your answer.

Mr Morand: Where they're user fees, they're subject to controls under the law; where they're taxation, there's a general exemption in the Constitution of Canada that exempts that from the Bill of Rights, but user fees aren't, and there's very little attention paid to that.

We've made a number of challenges and are making challenges across the province, for instance, in the area of sign bylaws. It may not sound very important, but there's been some very profound changes because of the Constitution in these areas. For instance, if you don't pay your taxes or you pay your taxes and you overpay, you can only go back three years. But if your municipality were to be charging, for instance, a rate for garbage and then didn't allow your garbage to be picked up for 25 years, you could go back and recovery those moneys from the municipality. This has happened out west and I have no

doubt it's going to be happening in the province of Ontario.

There are huge, huge unfunded liabilities just in the area of garbage alone in municipal governments across the province of Ontario, and business certainly is going to be going after this.

Now, if that had been a tax, there would be absolutely nothing that could be done to recover from that. After the three years, you're finished, done like dinner, but where it's a rate, you can do something about it, and the exposure in the province of Ontario with municipalities is somewhere in the vicinity of $250 million. It's a serious exposure.

And with these user fees, we'll be able to attack those because they won't be protected under that exclusionary part of the Constitution. So it's very, very important. We would rather be fighting the user fees than a tax, and I'll tell you this right now: I don't believe that the government will not step in where they attempt to do something like that.

Mr Silipo: I still find it difficult to understand why you find it acceptable—

Mr Morand: I'm not saying we find it—

Mr Silipo: You clearly support from what you said, and correct me if I'm wrong, but you clearly support the approach that the Harris government is making on the provincial level to cut taxes, but at the same time you're okay with the notion that he has given municipalities the power to increase taxes, such as user fees, taxes.

Mr Morand: No, no. I wouldn't say okay. I would say what we're saying is it's the lesser of two evils, and if they're going—

Mr Silipo: But why is it necessary, in your view?

Mr Morand: It may not be necessary, but the simple fact of the matter is if they don't, there will be a horrendous calamity and a disaster with the municipalities, because they simply don't have the money they need. They simply don't have it.

Mr Silipo: They don't have the money. Okay. We agree on that.

Mr Morand: This is the problem, and if he were to say on one hand, "We're going to give you some of these powers but you can't get this additional money and we don't have it to give to you," then what could the municipality do?

Mr Silipo: Let me just finish with this, because I don't know if I have—

The Chair: You still have about a minute and a half.

Mr Silipo: That's great, thank you. Then if what we're going to be seeing is a decrease in provincial taxes, coupled with an increase in user fees and an increase in municipal taxes, either the property taxes that we have now or other taxes that now the municipalities will have to charge, at the end of the day, to use your words, since there's only one taxpayer, how is the average taxpayer going to be any better off?

Mr Morand: I think a couple of things will happen. To start off, with user fees: I think there'll be a lot of areas that will be used less. I think it's straightforward. It's a proven thing. You don't have to guess at it. It's an absolute fact that that will happen. A simple $2 user fee in some areas would probably save the government $250 million, a simple $2 fee, and this has been proven in jurisdiction after jurisdiction.

I share the same concerns I think you have, that instead of a $2 fee it might be a $50 fee. But at least—

Mr Silipo: Also, a $2 fee for somebody earning $10,000—

Mr Morand: Is a lot different from somebody earning $100,000. I fully understand that.

The Chair: Thank you, Mr Morand. I'm sorry but we're going to have to move into the government side. Mr Tascona wants to start off and then leave some other members with questions too.

Mr Tascona: Thank you for your presentation. I'd just like to focus on one area of your brief, schedule Q, dealing with the arbitration. I just want you to know that the mandatory criteria for arbitrators apply not only to fire but to police, public service and hospitals. I just wondered, do you support this?

Mr Morand: Yes, we do. We've tried for a long time as an organization—and you'll see some of our flyers and such going back to 1991, where we talked about ability to pay being a criteria that the government should have to recognize. All too often the government is in the position of saying, "I've got to have this so I'm going to pass an act and I'm going to get it." It has to come from the taxpayer. It can't come anywhere else. There's no mythical hand dropping a load of money on the table. And because there's a distance between, say, a provincial member and a local person who avails himself of a service, and a lead time as well, it quite often results in the taxpayer not realizing what's going to happen until it's happened to him, and I think as taxpayers, we have to hope that—I feel that there's kind of two types of government. There's the old two-four, and I don't mean a pack of beer. There's the government that does it to you and the government that does it for you.

1620

Mr Tascona: Let me follow up on that point. I just want you to know that Ontario's not alone in having mandatory criteria for arbitrators. There are other provinces and the federal government that have it. The purpose of it is to control costs and to have arbitrators consider certain criteria. What we've had so far, we've had opposition from public sector unions to mandatory criteria, in particular the principle of ability to pay. I'd just like to ask you, do you believe it's in the public interest that arbitrators currently have no need to look at the financial status of a municipality in awarding pay increases to their employees?

Mr Morand: No, I think it's outrageous that they don't have to. They certainly should have to. Speaking from the viewpoint of a taxpayer, it's got to be a consideration. It's unbelievable that they don't have to. This is a concept I think that all too often we see that after a period of time of governing perhaps—I'm not saying the politicians in this room, but some politicians think that because they say it's so, it will be so. We live in the real world, and the real world has caught up to us.

The credit card has been used to the max, and if things go at this rate—I think Rohmer's book Death by Deficit is a real reality. People are going to start to say, "Hey, these guys are a bad risk." We've seen it in what's hap-

pened to the credit rating of this province, which was the bastion of success in this country for a great number of years, and it's been a downhill run for the past 10 years.

Every time there's a downgrade in that bond rating, it costs the taxpayer more. It's got to stop at some point. We hope and we believe that the present government is attempting to do that, but they'd better stick to their guns. They're going to get a lot of flak from it. They're going to get a lot of abuse from it. They're not going to hear from the average taxpayer that often because the average taxpayer's out there in a real grind trying to make a living. He's got to work hard. He doesn't have time to come down here to a meeting. He hopes that something will be done, but that generic "he," that taxpayer out there, up until now hasn't had that guarantee, that's for sure, and if he looks back over the past 10 years at what's been happening to him, he can't be too happy about it, and I think you're hearing about that now.

Mr Young: Thank you very much for an excellent presentation. I'm pleased to see you support the public sector salary disclosure act, and I note that you said it should be broadened to include those in all publicly traded firms in Ontario. I believe that's already the law.

I wanted to ask you, with regard to—

Mr Morand: There was something that we were going to add there, by the way. I'm glad you brought that up. We think that perhaps the directors as well, if they're not listed in that, and we weren't sure. I wasn't able to do enough research on it. But the directors of those corporations as well and any remunerations and/or benefits that they receive.

Mr Young: There's another group that has a lot of influence and has a lot of responsibility in our society that are also very highly paid, and I wondered what your feeling would be with regard to union leaders having their salaries and benefits published.

Mr Morand: We'd be in favour, but I don't see why they would object to it either. There should be no reason for them to object to it. Certainly, I don't think they believe that they're above anybody else in society. That certainly hasn't been their history or their background.

Mr Young: Then with regard to the Municipal Franchises Act, as I understand it, the act is trying to address the fact that municipalities have to come to the province to get permission to change their franchises act, and you said that you have a closer influence or closer control over municipal politicians. All we're doing is giving that power back to them, without referenda or without coming to the province. Don't you think the democratic process at the local level would be able to handle that?

Mr Morand: I have some serious doubts about it. Once again, I'll go back to something that may sound not that important, but we feel and believe that the problem in the province of Ontario so far in the past three years, municipalities have spent somewhere in the vicinity of at least $500,000 and perhaps more in trying to change their bylaws so that they can prevent postering on telephone poles, which the Supreme Court of Canada has ruled to be legal. It's just outrageous. It's absolutely incredible that they would spend this money.

We've talked to them. We've had local politicians tell us they don't care what the Constitution says. They don't care. They're going to stop posters from going up on their telephone poles, and they'll find a way to get around the Constitution. They're hiring outside legal advice to do it. It's an incredible situation. It truly is.

So we've got this problem where some of these powers, if you devolve them to the people at that level, I don't think they have the intent or the experience to handle those matters. The learning process is going to be a sharp curve and it's going to be very unfriendly while it's going on. I think the province should be aware that, ultimately, all those powers flow from the province, so they better keep some control on there. It's fine that these powers are devolving to this level, but they better be ready to step in where it becomes necessary.

Mr Frank Klees (York-Mackenzie): Consistent with your comment earlier, I agree with you that I think it's much easier for you to influence or to at least get to the municipal politicians and ensure that they're responsive to the electorate on a day-to-day basis than any other level. That being the case—

Mr Morand: Except for school boards. We have a real problem with them and we hope the government will do something about them.

Mr Klees: That's another subject altogether, and we have an act that deals with that as well. But being consistent on that principle, wouldn't you agree that, with regard to the problem that you've just mentioned now, you should be addressing that at the local level and putting the kind of pressure on them at the local level as you're putting on the provincial and federal level with regard to other issues? What we're trying to do here is to eliminate the cost of doing government. By forcing municipalities to go through the cost of referenda when they want to implement a particular service, that is extremely costly.

The Vice-Chair (Mr Joseph N. Tascona): Mr Klees, we're running short of time. Just direct your question.

Mr Morand: We do that now. We spend a great deal of time with municipalities. Probably one of the tightest-run municipalities financially is Mississauga. Still, right now they're one of the toughest communities on these posters. It's going to be in court February 8. We're going to go after Hazel big-time about it. She's spent probably $15,000 so far trying to fight it in direct costs, and in indirect, perhaps another $15,000.

Mr Gerretsen: You can't go against her; she supported this bill.

The Vice-Chair: Thank you, Mr Morand; we've run out of time.

DIXON HALL NEIGHBOURHOOD CENTRE

The Chair: Our next group of presenters is Dixon Hall Neighbourhood Centre, Toby Druce. Good afternoon. Thank you for being here today. You have 30 minutes to make your presentation. You can use that time as you see fit. You may want to leave some time at the end for questions. I'd appreciate it if you'd read your name and your organization into the record for Hansard and for committee members before you begin.

Mr Toby Druce: I'd be happy to. My name is Toby Druce. I'm a community development worker at Dixon Hall Neighbourhood Centre. With me is Elizabeth Greaves, who is the executive director of Dixon Hall. I'm here to make the presentation; Elizabeth is here to answer questions and to fill in the points that I may miss.

Dixon Hall is an organization that serves the southeast area of Toronto, an area that includes the community known as Regent Park. We have been serving that area for the last 66 years.

I have to apologize for the briefness of the recommendations that we gave to you. We didn't get a call till about 9:15 this morning to let us know we'd be coming to the committee today, so it was a rush for us.

In doing our brief research for our presentation today, we gave some consideration to our history. At the time that our organization began, actually the whole of the country was in the grip of the Depression, 1929. We thought it was interesting to note that the Department of Municipal Affairs was a creation of those difficult times; that hundreds of municipalities across the country were on the brink of bankruptcy—and they were on the brink of bankruptcy because they were unable to collect property taxes as businesses and property owners were going bankrupt and forfeiting their properties; and the moneys that they were spending on what was known at the time as poor relief or social services were increasing because of the need of people in the communities; and as a result of a slumping bond market, it was difficult for municipalities to borrow money to meet the difference between what they were taking in and what they were spending.

It was for us, I suppose, an eye-opener that that was the case in 1929, when we started. I can't say that there's a whole lot of difference between that time and this time. We are faced with the same problems at a municipal level. There is a decline in the property tax revenue and there is an increase in the need of the communities.

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At the time, in 1929, the solution was to create a Department of Municipal Affairs which would oversee the functioning of municipal governments to ensure that they were running properly. It was a time when the province saw its role as being to step in to fill a need. Today, when we're faced with a similar situation, it seems that the province is taking steps to step away from its role in overseeing the functioning of the municipalities, and that causes us some concern.

I should have prefaced my remarks by saying that, although we have concerns about many of the aspects of Bill 26, today we're going to confine ourselves to schedule M.

Our concern comes from the fact that increasingly what we're seeing is, I suppose you would call it, a devolution of the provision of services to residents in our communities. It starts perhaps at the federal level. Coming in March, when the Canada assistance plan ends, the federal government in essence is saying it is abdicating its responsibility to ensure that there is a fair and equitable access to services for all people in the country. It seems to us, through some of the provisions in this bill, that the province then is turning to the municipalities and doing the same thing, saying: "We no longer feel it is our responsibility to ensure that there is equal access. That's something you can pick up as a municipality."

The upper tiers of the municipalities, it seems, in discussions we've had with our Metro councillors, are saying the same things now to the cities, which is that the upper tier of local government no longer sees its role as being the provision of services, what they call soft services. They feel that's something that the city is better able to pick up, but in our case the city of Toronto certainly is not in a position to pick up all the services that are required.

I suppose in the relationship between the province and the municipal governments anyway there was at one time a recognition that the problems municipalities faced weren't problems of the municipalities, that the problems were being experienced province-wide or country-wide. There was an understanding that the province and the municipalities would work together to try to address those kinds of problems.

Today we see in our community there is a lot of unemployment, and we certainly know that unemployment today is a global problem. It's the result of having a global economy. Yet at the time that we understand that the problem is caused by a process that is going on around the world, it seems everybody is intent on making sure that it is the individual cities that bear the burden of addressing the fallout of that kind of a process, and that causes us a lot of concern.

Specifically within Bill 26 and with the amendments to the Municipal Act, we see under sections 209.4 and 209.5 there is what seems to be a very good democratic process in place for the upper and lower tiers of municipal governments to sort out who's going to provide which services. Just in our brief time today to look that over, that seems to be a reasonable process.

Unfortunately, following that is section 209.6, which then seems to give the Minister of Municipal Affairs the authority to delegate services and to say to the upper tiers of municipal government, "You will do this," and to the lower tiers, "You will do that." That causes us some concern, because we're not clear, and I don't think the municipalities are clear either at the moment, if responsibilities are devolved and if the lower tier is expected to pick up more of the services to people while the upper tier picks up more of the services to property, how the lower tier is going to be able to afford to do that.

Our concern is that as increasingly the provision of the soft services, the services to people, get pushed down to the city level, the only response that the cities are going to have is to enact residency requirements and to say, "We can no longer afford to provide services to everybody who's in need and we will only provide services to those we consider to be our residents."

That sort of opens up for us—historically there have been some real problems with that kind of a way of going about delivering services. If we say that only people in the city of Toronto can get services from the city of Toronto, that that's all that the city of Toronto can afford to do, essentially it's very restrictive. It limits people to staying in the area where they were born. The

provision of residency requirements to receive any kind of services we see as being a real step backwards.

As the city is faced with the challenge of how to provide services to the people who live in the area, the response is to make the services more restrictive. That leaves people coming to organizations like ourselves and to the many organizations across the city, across the province, that try to help communities survive the kinds of turmoil that communities are going through, people are coming to us and saying, "What can we do?"

We have a lot of seniors who come to our agency and say: "We're really concerned. If the hospital closes, what can you do for me?" At this point we're really unclear what we can do for them. So we're concerned about how services are going to be divided up between the province, the upper-tier and lower-tier municipal governments.

We also are concerned about section 220.1, the proposed amendment there, which seems to give municipal governments the power to raise direct taxes. I know there's some debate about whether it's a user fee or a tax, and there's some feeling that it really doesn't matter. If it's a user fee or a tax, it still ends up with somebody having to pay for it. In our area certainly people who need our services aren't in positions to pay user fees to receive those services.

Mayors of some of the cities, particularly in the Metro area, have been quite open about the fact that they see user fees as the way to go, that anybody who doesn't live in their city is going to be paying increasingly for the services they receive, and even the people who do live in the city and are residents will be paying more. We can see that happening in our area, and that's a concern for us.

People won't be able to pay and if the only way that they can get a service is through paying directly, then they're not going to get the service and, if they don't get the service, then the impact of that is not just that we have an unhealthy neighbourhood, it's that we have an unhealthy city, and if we have an unhealthy city, we have an unhealthy GTA and when the GTA is unhealthy, we have an unhealthy province and so on and so on.

Those are the areas of most concern for us, although I would add that it seems to us, in reading through Bill 26, that at the end of every section it seems to be: "These are the amendments we propose to make and this is how things will work, unless the minister decides otherwise. If the minister decides that's not how it's going to be, then it won't be that way." Giving that much power into the hands of one person—I wouldn't want to be the person getting that kind of power. That's a lot of decision-making or a heavy burden for any one person to take on. That's a process that concerns us, and I will just stop there.

The Chair: Thank you very much. You've left a lot of time for questions. We'll start with the third party. You'll have six minutes. Mr Silipo.

Mr Silipo: A number of the points that you've made about your concerns around the wide powers given to ministers—in the case you mentioned, the Minister of Municipal Affairs—certainly things that we've heard from a number of other presenters as well as the concern that you've expressed around the use of user fees, one of the things we've heard from some presenters is that they like the idea of user fees because they see that it makes people more accountable.

When we point out to them the point that I think you've made, which is that it's one thing to talk about, even if it's a $1 user fee or a $2 user fee to use a skating rink, for example, that may be fine, for the sake of argument, if you have a family income that's at a reasonable level so a dollar or two may not be very much, but if you're on minimum wage or indeed if you're on social assistance, $1 or $2 is a lot of money. So then people say, "Well, yes, but we could find ways to deal with that." Realistically, how could one do that without in one way or another having to label people who are poor in that way?

Ms Elizabeth Greaves: I think it's very difficult to do that. We do have some user fees at our agency in principle, such as music lessons for children. There is an expectation that user fees will be paid. It's $1 per lesson as opposed to the normal $16 or $17 or $30 a lesson. When there is more than one child in the family taking lessons, the rate is reduced. There is income verification done and there is often fee forgiveness, and we raise money separately to cover that. It does mean that many of the families in our community are getting lessons for which they're not paying. Most of them would prefer to do so, but they simply do not have the means.

1640

We're also very concerned in a community like ours where we are encouraging the use of public libraries—books, videos, film, music are so important to helping new Canadians integrate within the community, in helping our community integrate within a broader community—that fees in place in a larger system where there wouldn't be the kind of understanding and knowledge that we in the small agencies have of each family's circumstances would deter those children and those families from using the services.

Skating rinks, swimming pools, all of those things which are available at this point or can be available with no user fee, would not be used by many of the families in our community. They could not, and people do not like to ask to have fees forgiven. It would deter many of the proud lower-income people.

Mr Silipo: One of the contradictions we see in this legislation is that, while the Conservative government seems to be quite proud of the position they're taking to reduce provincial taxes, they are at the same time passing on to municipalities not just the cuts that they have passed, cuts in the amount of funding that they transfer to municipalities, school boards and right on through all of the service providers, but they now are giving municipalities the right to tax.

You talked about user fees. We've talked also here in the committee about the rights that municipalities are gaining to tax in any number of other ways. We've talked about gas tax, income tax, we think—although that's an area that's still under debate, about whether it's included in the bill or not; there seems to be some confusion about that—sales taxes and a number of other ways in which municipalities can tax.

We see that all of that combination, plus obviously the ability that municipalities now have to increase property taxes, means that we're shifting more and more of the burden of taxation, direct and indirect, on to the shoulders of those who are least able to pay. Because at least, whatever its flaws are, the income tax system is more progressive than any of the other systems of taxation.

Do you have some concerns, given the community that you represent and the people you work with, about the increasing burden that's going to be placed on people as not just the user fees but potentially other municipal taxes, and maybe even the potential for a head tax, are introduced through this legislation?

Ms Greaves: I think each individual piece of regressive taxation is bearable: $2 per prescription service is something that people can do; $20 here, $5 there. But these are regressive taxes on low-income working people and people in receipt of benefits, and it is becoming increasingly apparent that they cannot meet their obligations as citizens and as family members. So we are concerned about regressive taxation.

Mr Silipo: The other unfairness we see is that what is driving the government's overall direction is not so much their yearning to balance the budget but rather their need to find at least $5 billion—and we think more; $5 billion is their figure, but we think it may be closer to $7 billion—to pay for the 30% tax cut they've promised, which again is something that is going to benefit largely those families with a very high income.

The Chair: Thank you, Mr Silipo. I apologize for having to interrupt, but that's the end of your time.

Mr Silipo: Six minutes gone?

The Chair: Yes. We'll move to the government.

Mr Sampson: One of the sections of schedule M that deals with the right of the municipalities to tax, or the new right of municipalities to tax, indicates that they have the flexibility to determine that tax or that user fee on any class of persons. Do you take any comfort in the fact that there are certain groups of people to whom they might be able to say, "Well, the use of libraries, it's no fee," and there are certain other groups of people for whom, for the use of the libraries, there is a fee, and to graduate it perhaps even to reflect income levels?

Mr Cooke: A means test.

Mr Druce: I suppose there is some small comfort in knowing that people who can't afford to pay for something may still be able to get a service, but what that kind of a process does is it becomes really divisive. It's very, very clear to people in any neighbourhood who is in need of services and who isn't, so I know that the neighbours on my street, for example, will very quickly be picking up, saying, "Oh, yes, I know that now I'm paying this new tax, and I'm paying more for that so that somebody down the street can get something and not pay for it at all."

It's good that people will be able to get the services, but what it does to the overall community is really divisive, and I think that in the long term that's a real concern. It's one that would offset the benefit of people not having to pay directly for some of the services.

Ms Greaves: There are many people in our community who are too proud to ask for that kind of help, and they will slowly withdraw from things that we feel are really important for all members of our society to have access to, like libraries in particular.

Mr Klees: I'd like to just follow up on that issue. Would you agree that perhaps one of the reasons that some people feel ostracized or less than equal with other people, if they in fact legitimately need help and they're given help, is largely as a result of the kind of rhetoric we've heard over the last number of years relating to a means test? In fact, by talking about a means test in a derogatory way, actually putting people into a box so that they're made to feel that way, rather than accepting the fact that some people are disadvantaged and legitimately need help—and that we deal with them just as they are and respect them for who they are.

Ms Greaves: I think part of the rhetoric that we really have to struggle with in the lower-income communities is the sense of the deserving poor and the undeserving poor, and some of that has come in to means tests and other ways of deciding who should be getting service and who should not.

Mr Klees: But wouldn't you agree that if we hear politicians, for example, talk in a derogatory way about things like means tests, that immediately paints people into that picture, as opposed to simply accepting that some people in society need help, and if they need help, we should put in place a structure that allows us to help those who really need help but to differentiate from those people who don't? That way, we are able to channel the dollars to the appropriate place. I'd like your comment on that.

We've got an opportunity here to talk about the issues as they are. This isn't just a matter of slapping it on the government; the opposition here can learn something about how they should be conducting themselves, and this will be very helpful.

Mr Druce: With respect to means testing, if you had a process where you could clearly distinguish between who needed help and who didn't need help, I can't see that anybody would complain about that. The difficulty is, in the last several hundred years of providing organized relief, nobody's ever come up with a system that was that good at defining who did need help and who didn't need help.

Mr Klees: But what we've heard here is that we shouldn't even start to think about that, that there's something wrong with trying to find a way of differentiating. Wouldn't you agree that what we should be doing instead is working together to find a reasonable and acceptable way to determine that?

Ms Greaves: To determine who needs help—

Mr Klees: Precisely.

Ms Greaves: —and who should pay for it? Yes.

Mr Klees: Thank you for saying that. I hope that we can work towards that.

1650

Ms Greaves: We are really pleased to have the opportunity to speak today and hope the consultations will continue.

The Chair: I hate to interrupt, Mr Klees, but that's also the end of the time for the government caucus. We

must move now to the opposition and it's going to be—you're both moving towards the mike—Mr Crozier.

Mr Crozier: There's also a difference between being derogatory and condescending, but I'm sure you understand that.

It may interest you to know, and I'd like your comments on it, that of the proposed tax cut that I believe Mike Harris is going to deliver on, 62% will go to those earning $65,000 or more. I suspect that won't come to a lot of people in your community and mine when it comes to numbers. Would you expect that?

Mr Druce: Certainly many of the people who use our services, I would say that they probably won't fall into that category. There are people in our community, though, who will.

Ms Greaves: The vast majority won't.

Mr Druce: The vast majority won't, yes. But to try and comment on tax reform—I'm not an economist—I don't know of any government yet that's found a good solution to balancing who should pay how much tax.

Mr Crozier: I agree with you. The federal Tory government talked about cutting taxes and increasing the economic standing and reducing debt, and we know where that got us. But my concern is that 62% will go, as you've speculated correctly, to about 25% of the people. I wonder if you might, from your viewpoint, share with me then the comment that "We must all share in the pain." The government has said that, the Premier has said that; that we're all going to share in the pain. Can you imagine that someone making over $85,000 a year will share the pain equally with you or your clients?

Ms Greaves: I think they'll experience pain differently. I do not believe that the people in this province can take any pleasure in getting a tax rebate when their neighbours' children are going hungry. I think there's pain for both: the families that are doing without and the families that are getting more back.

People don't know how to respond. We've had an overwhelming amount of generosity in the last couple of weeks, people who want to put on elaborate Christmas dinners for low-income families. There is no take-up for this. This is something that works for single, transient homeless men and women; it does not work for families with children. They would rather be at home with a tin of sardines and the people they care about than in a nice restaurant being served. It's not an appropriate response but people are throwing hundreds of dollars at it. It's not going to where it's needed. Those who have the $65,000 a year and up are doing their best to do something, but it's not being thought through, it's not getting to where it's needed.

Mr Gerretsen: I'd just like to congratulate you on a very well-reasoned presentation, particularly when you were able to look at the economic situation from a more global viewpoint, because it's always been my view that one of the main problems we have in this province relates to jobs, and that's because we simply aren't competitive enough in a lot of areas in order to produce the jobs and the products. Once we have that, then an awful lot of the social problems will disappear, or at least they'll be a lot less than they are now.

I'd like to come back to this means test situation, though. What is your organization's position, then, with respect to a means test for various government services or various social services?

Mr Druce: Many social services already come with criteria. We have a program called STEP, and that's a program which is only for single mothers who are receiving government assistance. So there's a means test there: You have to be a single mother, you have to be receiving social assistance.

Mr Gerretsen: But isn't one of the problems the manner in which whatever help has been provided at the municipal level—and I used to be a municipal politician, and certainly at one time there was a movement, for example, to get the social services away from city hall. Therefore people would no longer have access to the city hall complex for certain services, and that in itself was demeaning to a certain extent, because why shouldn't everybody be able to go down to city hall? Isn't that the problem, the way some of the services have been provided? I'm not picking on any particular sector here, but they've quite often been done in sort of a demeaning fashion.

Ms Greaves: I think that's been historically true of services, yes.

The Chair: Thank you very much for taking the time today to appear before the standing committee.

Committee, before we break for dinner, Mr Cooke wants to amend his motion and move it and have debate on it.

Mr Cooke: I'm taking the advice of the learned clerk of the committee. It's been a while since I've looked at this, but we're recommending, based on the submissions to the committee, this be separated into several bills. Let me see here. Where are you suggesting we add the other word?

Clerk of the Committee (Ms Lynn Mellor): That "the subcommittee recommend that the committee."

Mr Cooke: Right. We're referring to "subcommittee" and "recommend" all along, so that the motion is in order. All I'm suggesting in this motion—and I'm moving the motion. I think it's pretty clear now that when we take a look at the numbers at this point for this committee, we've got 428 people or groups that have asked to appear before the committee in Toronto and beyond, and 462 presentations are going to be accommodated. That's before we've even gone through the process of advertising outside of Metro, as is normally the case when there are going to be hearings.

It's becoming pretty clear pretty quickly that this is going to be a committee that has more people who want to appear before it than any other committee in recent years, including Bill 30, which looked at the extension of funding to the Catholic school system. We'll only have to get a few hundred more people to apply and that'll happen, and that's going to be the case. With Bill 30, we had weeks and weeks of public hearings because there was a commitment exacted out of the government of the day, which was the Peterson government, by the Conservative opposition at the time that the bill was so important to the people of the province that everybody who wanted to be heard should be heard.

I'm not even suggesting that we're going to be able to accommodate everybody, but I think that we're now looking at numbers where we're soon going to be in a position where there are more people being turned down from appearing before the committee than there are who are going to be accommodated. So I think it's quite reasonable to suggest that we find a process, that we make it clear to the government House leader that this committee believes that more people should be accommodated, and that means that when the House reconvenes, there should be a new timetable put in place.

One of the ways of doing this, of course, is to split the bill, proceed with the parts of the bill that are less controversial—and the government could do that; that can be done by negotiations, by discussions—and then have the rest of the parts of the bill sent out for more public hearings during the break. The committee would then report back when the House comes back in March.

If we're interested in the democratic process, I don't think this is an unreasonable request. This is not in conflict with the time allocation motion that was in the House. It's in order because it's a recommendation. I am convinced that if the committee goes on record with the government House leader that we all have the same feeling that we've got to do more, to listen to more people and to deliberate on this legislation, I am sure that the government House leader will listen if all three parties go on record supporting this. So I encourage the government to support this.

The Chair: Further debate? I'm going to go caucus to caucus around until such time that everyone has a chance to debate. Mr Klees will be first.

1700

Mr Klees: I think Mr Cooke will know that this process typically has many more people lined up to speak to the issues than can be accommodated within the schedule. My understanding is that when Mr Cooke's government had the opportunity to preside over hearings, there were in many cases numerous people and groups who were being presented by the opposition parties as wanting to appear before committee who weren't able to, who weren't given the opportunity to do so. That's unfortunate, but that's the nature of the process.

I think to use the reasoning that because there are 400—Mr Phillips yesterday said there were 1,000. I'm sure we could at any point in time come up with lists of 2,000, 3,000, probably 10,000 if that would be our strategy to prolong the process. I think it's imperative for this committee to understand, keep in mind, keep in focus that we have a prescribed process here that has opened the door to people across the province to come forward, and those people will be heard.

The other point I'd like to make is that over the last few days much questioning has been done by the opposition members. If we were to look at Hansard, those questions that have come forward are repetitive; they are in most cases the same questions that are coming forward.

It's been predictable that this motion would come forward, because the questions have very little to do with the substance of the act; they have everything to do with process. I think for us to even waste our time debating whether we should prolong this process further is an insult to all of us here.

One of the things that I think is very important and we should be concerned about is taking a look at what in fact all of these many groups are saying. It's not a matter of, do we want 20,000 people here to say the same thing? I think very quickly we can get a handle on what the key issues are that people are concerned about, draw some conclusions and deal with that. I don't know if Mr Cooke—where's the cutoff? Is the cutoff at 400? Is it at 4,000? Is it at 10,000? I think what we're doing here is allowing ourselves to stand on a very slippery slope if we're going to give credibility to this motion.

The Chair: Thank you. Mr Phillips.

Mr Phillips: Mr Crozier is going to speak first.

Mr Crozier: I probably know Mr Klees as well as anybody in this room, and, Frank, you sound so sanctimonious I think you forgot your small-town upbringing.

Mr Klees: No, it's in the small town—

Mr Crozier: What you're saying is that what's repeated around the table is repetitive in the way of questioning. You haven't been here most of the time.

Mr Klees: I've been listening. I've been reading Hansard.

Mr Crozier: You know, what is being said most of the time, and I think with this government it has to be repeated, is by the people sitting at the end of the table. They are saying constantly that they haven't had enough time to prepare, that they think the bill should be broken down, and that that way the public can understand it better. What we're doing here, Mr Klees, is going through a democratic public process that we fought for, that you were going to deny us, quite frankly.

Mr Klees: You ended up with 60 hours less than we offered you.

Interjections.

Mr Crozier: It would have been before—let's get reasonable, Mr Chair.

The Chair: Mr Crozier has the floor, please.

Mr Crozier: It would have been before Christmas, and we're having enough difficulty with that. It would have been until midnight and, in the government's largesse, it would have been more hours. Well, quite frankly, again I think you're just kind of dancing, to use Ms Pupatello's terms, around the issue. I felt that I had to say that.

As for the questioning being the same, again I don't think you can sit on that side of the room and be so sanctimonious, because I can almost tell you each time what Mr Young is going to ask. I can tell you what this gentleman is going to ask; it's going to be about the firemen and so forth and what the criteria are for the arbitrator. But that's the process. That's what we're here for. For you to suggest that we don't ask the right questions, that's really not your job. I think I agree that more people, every—not every person, but many, many people have come here asking for more time.

There isn't anything that I see in here—and we're asking the government to tell us—that's costing the $1 million a day that was talked about over the past few weeks, because all of this presumably is going to come about with a budget in the spring. The only thing you've

done of any real action—and I'm not saying that you're right, wrong or indifferent—is cut social assistance cheques, because you could do that, you could just cut those. But anything we're talking about in here as far as spending cuts, reductions, streamlining, is not going to happen until next spring or summer. Those that are costing us money each day, let's get at it, get them passed. But the rest of it, let's take some time.

Mr Silipo: I think the issue here is what the motion calls for, which is to allow the public an opportunity to adequately analyse the bill. I think that issue can only be properly addressed not in the context of how much time the committee has, but how that time is used.

Government members continue to point out that we could have had three committees looking at this over this week and last week. Quite frankly, we could have had the whole Legislature broken down into 13 committees and spent the two weeks looking at it and we wouldn't have done any better a job than this government's proposal had been, because the issue is not so much how many hours you spend on something; it's also having an opportunity as members of the Legislature and giving the public an opportunity, enough time, enough distance to be able to analyse and to understand what this bill does in its many forms. The wisdom, we believe, of allowing more time for us to hear more people is that we can then hear positions that come to the table that are more thought out, based on the fact people have had a chance to take a look at the legislation or the provisions that apply to them.

At the same time I believe, and I say this with all due respect to the government members, it gives them an opportunity to have a better understanding of the full implications that are in this bill. I think it's quite clear, in the less than three days of hearings that we've had now, that there are a number of issues where I would say even the government members are finding that the legislation goes far beyond what they either thought was in the bill or anticipated being in the bill.

I think it's that issue as well that Mr Cooke's motion allows us an opportunity to address while still concluding the process that we have set out and that by order of the House we are obliged to follow but then allows for some further reflection and allows us, on the basis of what we will have been able to do from now until January 29, to have some further discussions on at least those portions of the bill that clearly already we can see merit some further discussion and some further input from the public.

The Chair: I have Young, Phillips, Sampson and Gerretsen, in that order.

Mr Young: I yield to Mr Sampson.

The Chair: If you yield, you yield to Mr Phillips.

Mr Young: I'll say my piece. I certainly don't support the motion. I think we've had a number of very articulate and very thorough presentations, and I'm sure we'll have more in January. I want to give notice to members opposite that we had vacancies on Monday we barely filled in last-minute. We had vacancies yesterday we barely filled in. We had vacancies today we could not fill in, and as of right now we've got 13 vacancies tomorrow.

Mr Cooke: That's because there are time limits. That's because of the time.

Mr Young: My concern is entering the new year, 1996, with optimism and hope and the change that 82% of the voters voted for on June 8. We're spending $1 million an hour on interest on government debt. I'm very, very happy to get these changes going and make sure they change the attitude of Ontarians, business and all people in Ontario, to bring in hope for the new year. I want to get going on it.

1710

Mr Gerretsen: There are just a couple of comments I want to make. One of them I made earlier today, and that's that there is a major difference between being allowed to make a presentation to a committee for half an hour and being given maybe two or three or four, I think at the most five or six, minutes for questioning by each caucus, and consultation.

If the members of the government caucus—and I know some of the members of your caucus don't believe this, because some people on your caucus side even I regard as reasonable individuals. I cannot for a moment believe, having been involved in the public process as long as I have, that every one of your 82 members thinks that making a presentation here and answering some questions is consultation. There may be some of you, and all I would say is that whoever believes that, you just haven't been involved in the total public process enough to realize what consultation is really all about.

Secondly, there are certain sections of this bill—and I've tried to analyse it myself—that have definite direct financial implications. There are very few schedules that actually do that. All the other schedules basically put into mechanism a process whereby other processes, whereby other bodies' work etc, can be changed quickly so that, either through ministerial regulation or through some other method, greater restructuring can take place. They do not have an immediate financial benefit. Regardless of what kind of propaganda you want to put out about that, about $1 million an hour, they simply do not.

You know, we've put out propaganda as well, I'll be the first to admit that, but that's certainly one aspect of it, that there are about three or four schedules that have an immediate, direct financial impact. The rest of them don't. Whether or not those schedules are approved in January, February or March in the long run really makes absolutely no difference. I would like you to come up with some clear-cut, categorical evidence that that's not the case. But I've been around long enough to realize that most of the schedules deal with process rather than immediate financial gains.

To suggest that somehow the opposition is asking the same questions, well, that may very well be. Every group is an entity unto itself and comes here from its own particular perspective. The fact that 90% of the groups so far have basically dug all sorts of holes in the bill and come up with, within a lot of cases, the same concerns about it, we didn't put them up to it. I can assure you that none of those groups were sort of trained or cautioned by us or told what to say by us, as was suggested today by one of your members here. So it may very well be that every group is going to be asked the same question, because every group is a separate entity from the groups before that, and I think it's important that

people out there and people through Hansard etc be made aware of it.

I think the motion is a reasonable one. It's a reasonable compromise suggesting that there may be some sections where there are some immediate financial savings and that they ought to be implemented at the end of January, because I'll tell you, a lot of the groups have made some excellent amendments to your own bill. I'm just wondering how actively those amendments are going to be pursued or are going to be looked at by your different staffs in your different ministries. I'm wondering, if this process had not taken place, quite frankly, how many of those amendments would have come forward by your own process, as they did with respect to some of the other bills that have come before the House. I doubt very many of them, quite frankly. So I think the real public consultation is to deal with these people, to listen to their presentations, to deal with their amendments, particularly when they've been very specific in a lot of cases, where they've dealt with specific sections in the bills, and then go back to their groups and say, "Look, we've looked at it and for this reason or for that reason we can't agree or we can agree etc." That is where the real process of consultation starts. It is not, my friend, a presentation here for 20 minutes. It's better than nothing, as I've said earlier today, but this is not true consultation, by any stretch of the imagination.

Mr Sampson: I move that the question now be put.

The Chair: All those in favour of the motion that the question be put, please raise your hand.

Mr Cooke: I want a recorded vote.

The Chair: A recorded vote.

Ayes

Hardeman, Sampson, Tascona, Young.

The Chair: All those against?

Nays

Cooke, Gerretsen, Phillips.

The Chair: We'll put the question on the main motion. All those in favour of Mr Cooke's motion?

Mr Cooke: A recorded vote.

The Chair: A recorded vote.

Ayes

Cooke, Gerretsen, Phillips.

The Chair: All those against?

Nays

Hardeman, Sampson, Tascona, Young.

The Chair: I declare the motion lost.

Right now, we're going to move to Mr Phillips's motion.

Mr Phillips: Pursuant to standing order 10(a), the standing committee on general government recommends to the House leaders that they ask the Speaker to call the House back one sessional day during the first week of January 1996 in order to amend the motion of the House dated December 12, 1995, to allow for four more weeks of public hearings into Bill 26, due to the overwhelming number of requests from the public for an opportunity to participate in public hearings into Bill 26.

The Chair: Do you want to speak to the motion, Mr Phillips?

Mr Phillips: The most telling delegation, for me, was the board of trade for Toronto. The board of trade has terrific resources to analyse bills. They probably are among the top organizations to analyse bills that come before their organization.

As an illustration to the public and to the committee of how complicated this bill is and how difficult it is for people to understand what's in the bill, the board of trade's principal support for the bill, if you remember, was around the fact that this would allow restructuring of Metropolitan Toronto. They led off with that. They put a press release out on that. That was the foundation of their support for the bill. They went on to indicate they had 10 or 11 major concerns in other portions of the bill.

Well it turns out, unfortunately for the board of trade, because even they have not had enough time, that they were wrong. The bill doesn't permit restructuring of Metropolitan Toronto, as the government acknowledged late last night. This bill doesn't do what the board of trade's brief was based on. They came to say, "We're supporting the bill because it allows restructuring of Metro," and it doesn't.

If anybody has any illusions that the public and that groups without those vast resources of the board of trade have had a chance to analyse what is going to be, for them, a huge impact. If you are in Metropolitan Toronto, you have until Friday night to make your presentation, and it's all over; we won't hear from you again.

Why are we having gaps in the presentations? It's because people have not had the chance to analyse this bill. They're saying, "This impacts my life, and you will give me 48 hours, 24 hours to come forward with a detailed analysis." Having seen what the board of trade did, the board of trade was wrong on the fundamental principle they were supporting the bill on.

If we needed any more tangible evidence of that, it's that our motion and, I must say, the previous motion are totally reasonable. It allows the government to say: "Here are the portions of the bill that we want passed because they have major financial implications. We want to deal with the deficit." Identify that for us, and on January 29, you have the opportunity to pass those portions. The rest, we're suggesting, because they don't have financial implications, can wait. We can have some reasoned debate. People who will be impacted by it can have a chance to look at the bill and be allowed to comment reasonably on the bill. As I say, nothing could illustrate our point better than the board of trade's presentation. For them to find out that the bill does not do at all what they thought it did makes the point for us.

1720

Mr Cooke: I think some of the Conservative members of the committee actually think this is the regular way in which bills are dealt with. While you might be getting that propaganda from your members who have been members around here for a few years, you might want to do some of your own research.

Virtually all the bills that I had anything to do with when I was a cabinet minister had extensive public hearings. The temporary rent control bill was a temporary bill that was going to be in place for a few months until the permanent rent control bill came in. Mr Turnbull, your whip, was one of the members on that committee. He insisted that there be public hearings across the

province. We had four or five weeks of public hearings on that bill alone, and travelled across the province. Everybody was accommodated and heard. That has been, by and large, the norm.

Then you take a look at this bill and the implications of this bill. I can't understand why you're not even willing to say that the matter should be referred to the House leaders; that somebody in the government should be taking a look at the problem of how many people want to appear before the committee, the problem with even understanding the implications of all aspects of this bill. Mr Phillips has given you one example. We've had Mississauga in front of us saying that yes, this bill allows for a gas tax but doesn't allow for an income tax and doesn't allow for a sales tax. The city of Toronto comes before us and says that their legal counsel says yes, it accommodates an income tax; they're not sure about sales tax and gas tax.

There's so much confusion about this bill that this is amateur hour in terms of the way public policy is being made by the most populous and richest and supposedly most sophisticated province in this country. It's amateur hour. It would be a joke, if what you're doing to this province weren't so serious.

All we're suggesting with these motions is, can somebody on the government side take a look at this? Can the government House leader at least be asked to talk to the other parties and say: How can we accommodate more people? Should we not look at maybe extending the hearings for a bit of time so that people can have more opportunities to analyse the bills and give their input to this process?

We've got people from the mining industry who come before the committee and say they've had some opportunity to be consulted. We've had people on the environmentalist side who say they were not consulted at all, that the first they saw it was when the bill was brought in.

I think this motion and the motion before were a reasonable motion, to simply say, let's take a look at it, let's give an opportunity to extend the hearings. If you've got a better way of dealing with it, if you've got a motion you want to put forward, or if whoever is the lead person on the Conservative side is going to go back to the government House leader and you want to put a motion forward saying you want the House leaders to take a look at this, then put it forward.

It's a procedural motion that's been debated for about six or seven minutes, and the Conservatives feel so threatened by it that they even bring in a closure motion on it. That's pretty bizarre and a pretty clear indication to people that there's no interest in public input. There's an interest in getting the process over with as quickly as possible. They don't want to hear from us, they don't want to hear from the people of the province, and they're going to shut it down at the first opportunity. I think it's a bloody disgrace that they're not even willing to take a look at a real problem where we're going to have more people turned down for public hearings than we're going to have accepted.

Mr Sampson: It's clear that we do indeed want to hear the views of the people. That's why we've been attempting to listen to the deputants as they've come in front of us for the last three days. We've also indicated that we're prepared to receive written submissions, and I believe this committee has been asked by the standing orders, by the motion in the House last week, to review the written submissions. I'm hoping that those who are unable, as in past committee processes, to physically attend can provide us with a written submission so we can review their positions and give some thoughtful consideration to their views. We're here today as a result of an agreement that was reached among the House leaders on December 7 or 8. That agreement set out the procedures under which we would be split into two committees etc. I'm led to believe that one of the topics raised by our side in those meetings is that there would have been three committees, as opposed to two, for 360 hours of cumulative time, but the other two House leaders preferred the two for the 300.

Mr Cooke: No, Rob, you're wrong on that. The government House leader withdrew the offer of three committees and moved it to two.

The Chair: Mr Cooke, he has the floor.

Mr Sampson: We also are led to believe—no, in fact the Leader of the Opposition stated after the agreement had been reached that the government had provided a substantial amount of time to look at this bill. That was a quote from her in her daily newspaper up in Thunder Bay, and we agree with that statement.

Other omnibus bills have been brought before this Legislature in the past. Bill 175 is one of them. There was actually no committee time. In fact, one of the deputants we questioned the other day indicated that they had never been in front of the committee to deal with a piece of legislation that affected pension funds.

The committee time for Bill 26 was negotiated by the opposition parties. The government House leader was involved, the opposition House leaders were involved. An agreement was reached at that time. We're prepared to stick to that agreement. I don't believe it precludes submissions from the—what is it now?—400 people who will not be able to attend currently; from providing us written submissions just like the people who come here and present in person to us. I think this committee will have ample time and opportunity to consider those.

We've been thrashing around this particular item. This is now the third time we've talked about it. Frankly, I think this time would have been better used if we had allocated it to a deputant. I'm afraid I'm going to have to ask again that the question with respect to this motion now be put to this committee.

The Chair: First I'd like to hear from Mr Curling, who's had his hand up as someone who wants to debate, and then we'll entertain that motion.

Mr Curling: I just want to say—

Mr Sampson: On a point of order, Mr Chair: I moved that the question now be put. Are you not prepared to speak on that?

The Chair: That's at the discretion of the Chair. I had Mr Curling on the list, so we'll be hearing him and then we'll move to that motion.

Mr Curling: Let me just comment a bit on this. This is the kind of arrogance we are talking about. The fact is that no participation, not even from members, at times,

can be gotten out of this government. The people have been asking over and over to participate.

I speak in support of this. I have to echo my colleagues of the opposition who have mentioned time and time again the legislation they put before committees that got extensive hearings. I can recall putting through Bill 51 in 1985 that had six weeks of hearings across this country. We sat morning, afternoon and evening so that all people had an opportunity to participate, to feel like they are a part of this province, a part of the legislation that affects their lives so they can make the contribution.

My office has been swamped with calls, faxes, people who asked to have presentation here who have been told, "I'm sorry, all the timeslots are gone." People in other areas are saying that the committee is not coming to their area and they'd like to have their contribution on this bill.

1730

I'm hearing the government side saying that they can always write in. Let me tell him and tell the government too that there is an opportunity for people to express themselves verbally on this committee, and what he's saying to all those who are shut out is: "No, you cannot contribute. We will not hear you. If you want to write, you must write, and we'll have time to look into your presentation."

I could also tell the member that we have had people scheduled to make presentation here who have withdrawn because their legal counsel told them that the bill is so large and so involved that their presentation would not be focused enough if they responded in such a short time. They asked if they could get another day and were told no, because that time was gone.

They can't respond to that thick bill. You have seen evidence. The minister himself came in and admitted he hasn't even read the bill. The minister who's going to carry the passage of that bill hasn't read it, much less the individuals who can't even get the bill. When they call and ask for a copy of the bill so they can go through it because they heard about the impact it will have on their lives, they are told, "You'd better put $18 down before you get it." I delivered a copy of the bill to that individual, and when they saw it they were appalled just by the size and the complexity of that bill and the impact it has on them. It would take weeks for them to look through that.

I'm appealing to those members and their own democratic sense to extend the time so people can be heard, can feel a part of this process, so they don't feel shut out from this process. They're not asking for a lot. If this thing is extended for another two or three weeks or so to hear the people on this issue, I don't see what harm it is going to do. It will do a lot of help. It will help the government to say that they are listening.

People have come in here and have almost said that the government lied to them, that Mike Harris lied to them, that he said he would consult with them. The firefighters here said, "He told us that." He has it in writing. He has it a tape on the matter to say they would have consulted, and now people are being shut out from this.

I would strongly support and urge the members to take it back to their House leader, that the House leaders on this side are willing to sit down again and have those days extended so we could come back and hear in a very democratic way those who would like to present their case before the committees.

The Chair: Thank you, Mr Curling. I now put Mr Sampson's motion.

Mr Cooke: On a point of order, Mr Chairman: I don't want to be picky, but how do you table, when you rule a closure motion out of order—it was obviously premature and you ruled it out of order, which you have the right to do and I think it was appropriate. I'm just being very picky about it. Somebody else can move the closure motion again, but you ruled it out of order.

The Chair: No, I didn't rule it out of order. Under standing order 47, the Chair has the discretion to seek further debate, and I used that standing order and used that discretion to allow Mr Curling's debate.

Mr Cooke: I understand, so the motion was premature.

The Chair: But I indicated that I would put it after Mr Curling.

Mr Cooke: Well, I don't understand how a motion that's ruled out of order at that particular time can then be called back by the Chair. It's a very picky thing. All somebody has to do is move it again, but I don't see how the Chair has the right to table a motion. The motion was ruled out of order.

The Chair: It wasn't moved out of order. I just indicated that, using my discretion under standing order 47, I would entertain further debate from Mr Curling, who hadn't had a chance to speak.

Mr Cooke: Because the motion was premature.

The Chair: No, just because it's my discretion, under the standing orders, to allow him that extra ability before putting the question.

Mr Cooke: Can you read that standing order for me? I don't have my standing orders with me.

The Chair: "A motion for closure, which may be moved without notice, until it is decided shall preclude all amendment of the main question, and shall be in the following words:—'That this question be now put.' Unless it appears to the Speaker that such motion is an abuse of the standing orders of the House or an infringement of the rights of the minority, the question shall be put forthwith and decided without amendment or debate. If a motion for closure is resolved in the affirmative, the original question shall be put forthwith and decided without amendment or debate."

Mr Cooke: Exactly, the point being that you ruled that the motion was premature, that it was an abuse of the rights of the minority, so the motion was premature. Whenever this has been done in the House before and a Speaker has ruled it out of order, it's out of order and then the motion has to be moved again. I know it's going to be moved again, but I really hesitate to allow a Chair to basically table a closure motion.

Mr Phillips: Mr Chair, if I might try to be of help, I think Mr Cooke may very well be right. I suggest that one of the government members, in order for it to be in order, may have to move a motion once again.

Mr Gerretsen: Don't give him any advice, Gerry.

Mr Phillips: I respect the Chair's dilemma, but I also respect that I think Mr Cooke is right that the Chair is in

a position where I don't think you can table that motion. I think it has to be re-moved, or moved.

The Chair: I have been given similar advice from the clerk. Mr Hardeman.

Mr Hardeman: Mr Chair, not to suggest that Mr Cooke is right, I would move that the motion now be put.

The Chair: All in favour that the motion be now put?

Mr Cooke: I want a recorded vote.

The Chair: Recorded vote.

Ayes

Hardeman, Sampson, Tascona, Young.

The Chair: All opposed?

Nays

Cooke, Gerretsen, Phillips.

The Chair: All in favour of Mr Phillips's motion?

Mr Cooke: Recorded vote.

Ayes

Cooke, Gerretsen, Phillips.

The Chair: All opposed?

Nays

Hardeman, Sampson, Tascona, Young.

The Chair: Thank you. We will recess until 6 pm.

The subcommittee recessed from 1737 to 1815.

CANADIAN ENVIRONMENTAL DEFENCE FUND

The Chair: Good evening, everyone. Mr Donnelly from the Canadian Environmental Defence Fund is currently in the chair. Mr Donnelly, I'd like to thank you for being patient and waiting for us to get through our dinner break. You have half an hour to make a presentation. You can use that half an hour as you see fit. You may choose to leave some time at the end of that for some questions and response by the three caucuses. Since I've already read your name and the organization into the record, and for the sake of the committee, I guess you could begin right away.

Mr David Donnelly: Thank you very much, Mr Chair and all the members of the committee, for allowing me to appear today. I appear before you today representing the Canadian Environmental Defence Fund, which I will refer to hereafter as the CEDF. The CEDF is a national, charitable, non-profit environmental group that provides funding and legal, scientific, planning and engineering expertise to groups pursuing nationally significant environmental law cases or participating in environmental assessments. Since 1984, the CEDF has provided over $3 million to 35 citizens' groups from across Canada.

So that you might know of my experience, I will tell you three tales of instances where unintended effects have followed either the deregulation of certain industries or government failure to apply the law.

The first involves the Rafferty dam in Saskatchewan, which was essentially exempted from the requirements of the federal environmental assessment review process, or EARP. Today, it stands near Bienfait, Saskatchewan, a large dam with no water behind it. The dam was recently written off by the government of Saskatchewan as a useless work that cost the taxpayer $350 million, but it has also had the unintended benefit of creating something of a tourism industry for that part of southern Saskatchewan, as people flock from across the province, other provinces and states in the United States to witness a $350-million dam with no water behind it.

We have also been involved in the case of the Outer Ring Road in St John's, Newfoundland, which was also exempt from environmental assessment and which has cost the taxpayer to date $110 million; that's the Canadian taxpayer. The road is to be built through C. A. Pippy Park, an internationally significant trout habitat that exists there. The purpose of this road, we found out after the expenditure was made, was to relieve traffic jams in downtown St John's—traffic jams which simply do not exist.

The final example I'll give you of our involvement is the case of the cod stocks in Newfoundland, where an absence of environmental assessment, as requested by the public in 1989, and the doubling of the cod stocks allowances or quotas has cost the Canadian taxpayer $2 billion so far in compensation and will continue to cost the taxpayer because of the failure to apply the environmental assessment law of the land.

This brings me to the mandate of the CEDF, which is to ensure that the public has access to environmental justice and, in particular, that no one should be denied access to justice on the basis of cost alone. This preface will then lead into my discussion of Bill 26. I will be examining the process by examining two aspects: (1) the process being employed to push the bill through and (2) substantive concerns. I will begin my address to you today by covering over some of the process concerns that I have.

First, the bill is simply too big to be examined by virtually any member of the public. To look at this bill reminds me of a flea being asked to draw a picture of the elephant upon which it resides. It is simply just not possible for anyone to review this bill and to come up with any sort of coherent understanding of how this all works together. The environment is a perfect indication of this.

There are various amendments in this bill that must be read within the original acts from which the amendments arise, and to ask someone or to require someone to read through all these things would require hour upon hour. This is time the public simply does not have. This should be broken up into its constituent elements and people should have time to read over these various components as separate components. In absence of breaking up this bill, then some sort of explanation should be required about why it is being done in this manner and exactly what savings are going to accrue to the public if it is pushed ahead in such a hasty fashion.

But specifically, I would like to inquire why regulation 482 was also passed, allowing that this bill be exempt from the Environmental Bill of Rights. The purpose of the Environmental Bill of Rights in the province of Ontario is to make government decision-making more inclusive, and the question that I have is, if this bill does not have any significant negative impacts on the environment of Ontario, then it should stand up to the scrutiny of the Environmental Bill of Rights. There is an absence of an explanation for why this exemption has been granted, and I think it has been granted improperly.

It is my first recommendation to you that this bill should be included on the Environmental Bill of Rights registry and that certain components should be broken off until a proper understanding of the environment is gained.

Let me give you one example of an environmental effect that could arise from this bill that simply cannot be comprehended in the way this bill is presented. If a hospital was to be closed in northern Ontario, requiring that citizens drive from one town to the next to receive medical treatment, some environmentalists might say that would create an environmental impact that is significant—requiring people to use their cars to drive further for medical service. You might respond that this is not a significant environmental effect. Fair enough.

But what if then the travel along this road required that the road be widened or improved for safety reasons and that this road improvement would cost $10 million, $20 million or $30 million? There is an unanticipated effect of this bill on the environment and on the public trust, the taxpayers' trust, that simply cannot be comprehended by dealing with this bill in this fashion.

To proceed to my substantive concerns, I'll start with schedule K, the amendments to the freedom of information act. It should go without saying that the importance of access to information in a civilized society cannot be overstated, but let me provide you with some anecdotal evidence of why freedom of information is so important.

In our opposition to the fixed link to PEI several years ago, through access to information, we discovered a plan on the part of the developer building the fixed link, a bridge, to lower the height of the bridge by 16 metres. This adaption of the plan would have cost islanders hundreds of millions of dollars in lost tours and revenue. Cruise ships that previously sailed the strait to Charlottetown as a destination would have been prevented from direct access to the port and would have had to have sailed the entire way around the island, which would have created a prohibitive cost.

More importantly, we also discovered through this information that ice-breakers that were required to break ice that would pile up behind the piers would also not be able to access the strait and that near-shore ice scour would occur, which potentially could have ruined the Northumberland Strait fishery, the last viable fishery in Atlantic Canada.

Clause 10(1)(b) provides the government with the power to deny requests if they are "frivolous or vexatious," but when a government is antithetical to a group or to a request, this is an easy case to be made. In the case of the fixed link, Public Works Canada and the government of Prince Edward Island clearly wanted the megaproject; the citizens, many of whom were fishermen and environmentalists and ferry workers, did not. So this could be used as a tool to frustrate the public that is trying to save the environment and save money at the same time.

Another section, subsection 50(2.1) allows the commissioner to dismiss an appeal if there requester cannot establish a reasonable basis for concluding a record exists. We did not know that the plan existed to lower the height of the bridge. It was only through the access-to-information request, which did not require us to specify with absolute certainty what document we were looking for, that we ever arrived upon the material in the first place.

So you may create the unintended effect, by changing access to information, that you will also frustrate the public who are trying to save the government money and also save the environment. This is one thing that certainly deserves further review.

It is my respectful submission that both of these amendments would have prevented the Friends of the Island from learning about the bridge height and that, similarly, this amendment will frustrate Ontario groups and this is something that should be avoided.

Schedule M, amendments to the Municipal Act and other statutes: The changes to the Conservation Authorities Act need further review. Dissolving conservation authorities and particularly the selling off of public land appear to be a terribly shortsighted response to pressure from municipalities.

My parents grew up in Toronto. They now reside in Don Mills. They recall vividly Hurricane Hazel and all the costs associated with improper planning for storms and stormwater runoff. I wonder what possible benefit can come from allowing municipalities to have free hand in the dispensation of public land, public land that was set aside for the protection of the public. In absence of any concrete demonstration that this will have a significant benefit to the public, I wonder why we should be proceeding with it at this time without consultation with the affected public and consultation with people who have experience in planning and conservation matters.

Similarly, the proposed amendments to the Lakes and Rivers Improvement Act could allow for an exemption from regulatory approval of some dams. To justify this type of deregulation, the onus should be upon the government to prove that in the long run this measure will not cost the public more in the remediation of fish habitat, water quality problems and other unintended effects of deregulation. This type of analysis does not seem to have been done.

It is my second respectful submission that the government should be required to demonstrate how these measures save money while meeting the government's stated objective that no deregulation measure should result in the loss of environmental quality.

I will now turn my attention to the changes to the Mining Act, or schedule O. The Bible contains the passage, "These having not the law are a law unto themselves," which is in Romans. Let me suggest to you that the mining industry is made up two different types of actors—good ones like Inco and Falconbridge and bad ones who are commonly referred to as "toxic terrors." Introducing self-regulation of mine closure plans cannot appear, even to the casual observer, as a very good idea. Requiring directors' approvals and the posting of financial assurance for projects should appear to be common sense. These regulations were developed in response to serious problems that have arisen in Ontario and elsewhere.

I am very familiar with the lobbying efforts of the mining industry that have been undertaken to achieve this sort of deregulation. Mining companies cite several Third

World countries as preferred destinations that provide a more hospitable regulatory climate. But these countries present a whole host of advantages, such as the exploitation of child labour, the lack of employment equity, the lack of rights for labourers and so on.

I submit that Ontario would not be in the practice of amending its child labour laws to allow the manufacturing sector to compete on an even playing field with certain parts of southeast Asia. So I have to pose the question, in the absence of the demonstration on the part of the mining industry that these changes will lead to benefits to the public while not decreasing environmental protection, then we shouldn't proceed with these improvements. Improvements in deregulation are welcome changes, but they should be done in an open, transparent way that includes the public, and this is not being done.

Let me read to you from a study recently prepared by Natural Resources Canada, which has a large role to play in the deregulation of the mining industry. The paper that was prepared suggests that the federal government should also be involved in deregulating the mining industry and that it should be providing exemptions to the mining industry from environmental assessment.

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But this is the sole basis upon which they say they justify this deregulation, and I'll quote from the paper:

"Some interviewees within industry said that the burden of regulatory processes has reached a level that now inhibits investment. Some respondents from Alberta noted that Japanese industry representatives are closely observing the operation of the Canadian approval process and are apparently unimpressed. This could have negative implications for attracting foreign investment."

Let me suggest respectfully that amendments to the Mining Act will attract both responsible and irresponsible foreign investment and that irresponsible investment could potentially cost the taxpayer hundreds of millions of dollars, such as situations like the Matachewan Consolidated Mines, Ltd dam spill.

It is my third recommendation that schedule O be severed from Bill 26. I believe this recommendation has also been made by the Canadian Bar Association and the Canadian Environmental Law Association. Unnamed sources within mining should not be justification alone to deregulate the industry in the way prescribed by Bill 26.

If we're to have an open, public debate with public consultation, then I'm sure many beneficial changes can be wrought to mining regulation in the province, but in the absence of this transparent process there is going to be the appearance, if not the reality, that unnamed, unknown sources are driving the environmental protection scheme that affects mining in the province, and this is neither an appearance nor a reality that should stand with this government.

Schedule N, amendments to the Public Lands Act: Many current activities require permits to be issued for activities on public lands. Logging, dredging, filling and clearing of public lands should be done in as transparent a way as possible. Public lands are the public trust. Allowing specific regulations to be developed with an exemption from the Environmental Bill of Rights does not satisfy the public's desire for a strong role in the management of our public resources.

It is my fourth recommendation, therefore, that changes to the Public Lands Act should not be approved until a public review of the benefits of exempting certain activities from permitting are fully shared with the public. Alternatively, this amendment should not proceed without a guarantee that future regulations will be subject to the notice, comment and appeal provisions of the Environmental Bill of Rights.

And so I have come to my conclusions and my conclusions are these: Bill 26 will have a significant impact on the environment. The Environmental Bill of Rights should apply to Bill 26. It was designed to deal with legislation of this kind.

Finally, it is my conclusion that with respect to amendments contained in this bill that impact upon the environment, inadequate justification exists for proceeding in this manner at this time and that through public consultation and open debate the public can be included and we can improve environmental regulation in the province. It just simply should not be done this way.

Thank you very much. I think that allows some time for questions.

The Chair: We have about three minutes and 40 seconds, starting with the government side. Mr Sampson and then Mr Young.

Mr Sampson: Thank you for your presentation. Let me just go to the schedule O part, if I can, for a second. My sense is that your concern with schedule O is the procedure with respect to the filing of closure plans.

Mr Donnelly: And requiring directors' approval, yes.

Mr Sampson: Yes. I concur with you that, like in every sector, in probably politics and business, there are good players and bad players. I'm really asking for your comment and your suggestion on whether it would make more sense, instead of having this particular section or the other sections of this particular act subject to the Environmental Bill of Rights, to have the closure plan—because that's really where the environmental issue is raised—be subject to the EBR process. Does that make more sense? What causes the environmental problem is somebody's plan being inaccurate, inappropriate or whatever.

Mr Donnelly: There's a fundamental flaw, I think, in that reasoning and that is, that with thousands of mining closure plans being filed in the province, you then place an inordinate burden on the public to be vigilant for every single plan. That's the role of government. They protect the public trust and the citizen should be the watchdog of government activity.

If, for example, the public missed a closure plan or there was not sufficient interest in a remote area to warrant someone commenting on a closure plan, then there could be significant damage done to a public resource that would cost the government, and hence the taxpayer, millions of dollars and an undue burden would have been placed on the public to play that watchdog role. That is rightly the role of government.

Mr Sampson: Yes, I'm sorry. I wasn't suggesting that we take away from the government the responsibility that this particular section does have with respect to the

monitoring of those closure plans and the reviewing of them. I'm just wondering for the purposes of being able to identify and follow the bad actors—I think was your word, and maybe you might have used another word—whether or not that was the appropriate way for the public to help the government do that.

Mr Donnelly: It would be perfectly appropriate to have as a safety net the requirement that these closure plans be on the public registry and that the public have the right to notice and comment on them, but that does not exempt the government from the responsibility of having to give these approvals in the first place and not relying on self-assessment or voluntary compliance.

Mr Young: I'm very interested in your presentation. Can we get a copies of that before he goes? Is it possible to get photocopies made, or did you bring some?

Mr Donnelly: I just have notes.

Mr Young: Oh, no. Okay.

Mr Donnelly: I regret to inform you that I was only called within the last 24 hours to appear.

Mr Young: I appreciate that. I know about Pollution Probe and Greenpeace, but I'm unfamiliar with your organization. Would you mind telling me how many members you have with the current year's membership, so I can get an idea how many people you're speaking for?

Mr Donnelly: Okay. We have 3,500 members from across Canada.

Mr Young: Thank you.

The Chair: Members of the opposition. Mr Crozier.

Mr Crozier: Thank you, Mr Donnelly. Your comments at the outset about the bill being too big to be examined by the public have been echoed, I would safely say, by the majority of deputants who have appeared before us.

I was watching Global News at 6 o'clock this evening. Unfortunately, the Premier has said that there will be no more time, in spite of the fact that we've been pleading for it, asking for the bill to be broken apart so it could be reviewed in its many pieces and in fact that we were willing to look at legislation that should be passed immediately, but delay some that didn't necessarily need to be.

Very briefly, we've been given the economics of the environmental impacts to a great extent, that they're going to save several millions of dollars by doing this, but that it may cost hundreds of millions of dollars in fees later on that the province will then be responsible for. There must be some cases, though, where even money can't solve the problem. Does that happen or is money always able to solve the problem?

Mr Donnelly: That's an interesting and important question. The justification for proceeding with the environmental aspects that I have seen so far has all been of cost-benefit nature, and that approach is thoroughly repudiated in any academic literature that is current as a way of assessing regulation and its benefits to the public.

The preferable method is to employ a risk-benefit analysis that gives you a true indication of not only the present dollar impacts of regulation or any action but also is a forward-looking estimation of what the risks are to society of proceeding.

The classic analogy is the Ford Pinto gas tank when the Ford Motor Co did the evaluation that using leather straps instead of steel straps would save the company hundreds of thousands of dollars or even millions of dollars even though there would be an attendant loss of life, maiming and injury that they would have to pay out insurance claims for, but that in the final analysis the cost-benefit analysis justified that activity.

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Similarly, because in many cases you are dealing with the public trust, and the government becomes the insurer, if you will, ultimately, particularly in the case of fly-by-night operators, the risk-benefit analysis is critical in ensuring that the true costs of these things are well understood.

But then also I think you're quite right. The externality costs of the diminution of environmental quality can't simply be factored in with dollars and cents alone. I'm not appearing today to talk about the value of birds and trees and flowers and clean water, but I also think that those are very important elements of Ontario society.

Mr Phillips: I found your presentation very helpful. In spite of the fact you only had 24 hours to prepare it, we will have it in Hansard and it will be useful for us.

The mining industry, for all of us, is huge in the province and extremely important, but we're being asked, I think, to deal with a major bill affecting the mining industry as but one of 14 different parts, different schedules. This act, I think about 5% of it is the Mining Act and 95% of it is other things. I think you're the fourth group that knows the environment well that has raised major environmental concerns around the bill.

We've heard briefly from the mining industry, although they indicated to us they wanted to come back and give us more information at clause-by-clause. That will be impossible, but that's what they said they'd like to do.

I guess my question to you is, am I characterizing your concerns properly? Are you saying you have major concerns about this bill from the perspective of the environment, and are you saying that if we were to go ahead and pass it as it currently is before us, that represents significant environmental risks?

Mr Donnelly: There is no doubt in my mind that to proceed in this fashion is creating an unnecessary risk to the public of Ontario. You're inviting "toxic terrors" to the province to operate in a regulatory climate that will not protect the public adequately. The way that we are proceeding does not give me the confidence that the public will not be subject to environmental risks and financial risks in the future.

Mr Cooke: You started off your presentation, I think, by asking a question about why is it being done in this manner, and I think those of us who have been around here for a while can answer it pretty easily.

The reason it's being done in this way is that you get a very controversial piece of legislation slipped into an omnibus bill when you know there are other parts of it that are controversial, and this part of it's going to go unnoticed because the constituency that's interested in the environmental aspects of this bill is very small compared to the constituency that cares about the health care

aspects and the labour aspects and so forth, so you can just slip it in. Because I think by anybody's measure these aspects of the bill have nothing to do with restructuring government. It's a way of getting a very touchy controversial bill through the House very quickly without much public scrutiny.

I've been quite surprised myself because I said when the mining association was here, I don't know a lot about this area. In fact, I know virtually nothing about the mining industry in the province. But what we have heard, no one has—in fact, Mr Phillips has asked that question about are you concerned or very concerned, and I think every environmental group that's come before us has said they are very concerned. This is a real potential public risk.

I dare say that as we go through this process, it's not going to get the attention—and we'll put forward amendments, but I doubt whether it's going to get the public attention that's necessary to force those folks over there to bring an amendment in or amendments to adequately protect the environment.

We'll take your presentation. If there are specific amendments that you think—they have twice today rejected motions to separate the bill. This is one that it is very clear should be pulled out of the bill and we, as legislators, should have an opportunity to better understand it; nobody on this committee fully understands the implications of the amendments to the Mining Act. But they're not going to do that, so if there are specific amendments you want us to put forward, continue to work on those. Our research department, and I'm sure the Liberal research department as well, will be working on amendments and we can certainly present them and see where we get when we get to clause-by-clause.

Mr Donnelly: Just to respond by way of comment, the greatest fear I have about proceeding in this manner with these changes to the Mining Act is that the true implications of it simply are not known. Canada has committed itself to a number of international treaties relating to biodiversity and environmental quality, and in each case we've adopted the precautionary principle as being a guiding force in the management of our natural resources, and this proposal seems to fly in the face of that commitment.

It really does trouble me that there could be many significant, even severe, environmental impacts arising out of this proposal, and those unintended outcomes or impacts could prove to be very costly, both in terms of dollars but also loss of quality of life in the province.

The Chair: Thank you, Mr Donnelly. We've come to the end of your half-hour. We appreciate your taking the time to appear before the committee this evening.

Is David Hogg in the room by any chance? If he were here, he'd be 10 minutes early. We'll recess until 7.

The subcommittee recessed from 1846 to 1858.

ORGANIZATION FOR QUALITY EDUCATION

The Chair: Thank you, Mr Hogg, for coming tonight to speak to the standing committee on general government. You'll have 30 minutes to make your proposal. You can use that time as you see fit. You may decide to leave some time at the end of your presentation for questions and response from the three parties. Before you begin your presentation, I'd appreciate it if you'd read your name into the record for Hansard and for the committee members.

Mr David Hogg: Thank you very much indeed for having me here. It was a little short notice but that's probably good; it takes less time. My name is David Hogg. I'm a vice-president of the Organization for Quality Education. I want to speak particularly about schedule K, the amendments contemplated to the provincial and municipal freedom of information and protection of privacy acts.

We want to advise you and the Legislature that the route to go on access to information is to ease the process, not to make it any more difficult. Speaking with conviction from our experiences, the process is already fraught with difficulties. I have experienced extreme frustration with the institutions holding records which I believe the public not only has a right to access, but needs to know about. The Information and Privacy Commissioner, IPC, the media and the public have agreed.

I have been an extensive user of this means of access, a very reluctant but now successful user. The two institutions of my major interactions, the Ministry of Education and Training, MET, and the Metropolitan Separate School Board, MSSB, have on almost every occasion made access extremely difficult. This is not just a singular experience for me, but it is also the experience of others, so much so that it has been necessary to network extensively to exchange IPC access orders and techniques. That should not be. Let me give you some examples.

My first information request was for some provincial test results from MSSB. Here is how the response play out:

While MSSB possessed the results, they said that MET owned them. The request then went to MET. MET wanted $660 for programming and copying to create records held by MSSB. I suggested the Ministry of Education and Training grant permission to the school board to release the records. In the course of this permission, by being inquisitive, I found there was an IPC order instructing that the test results were to be released.

It took me four months. Eventually I got the results for the 15 schools of which only four were above the provincial average, so I would expect that you would understand why they were a little reluctant to release them.

In the course of that access, I found that MSSB staff had made a decision not to have all 250-plus schools tested because the cost of $54,000 was prohibitive. I put in a request to examine some expenses for which MSSB wanted to charge me $4,140. By personally examining and transcribing data from a couple of accounts at no cost, I found over $100,000 was spent on catering in the year when $54,000 was not available for testing.

A Ministry of Education and Training policy document, which controls as a program guideline, is The Common Curriculum, Grades 1-9. It has a particular approach which we believe is unsupported. So I submitted a request for the records which contained the large-scale empirical research describing the support. I

received five pages of references in which I could see neither research nor relevant research, but there was an estimated fee of $7,490 to supply me with copies of that material.

A request for access to the expense accounts of MSSB trustee and administration executives took on about a nine-month life of its own. Eventually I got an order from the IPC that instructed the school board to release the records in 20 days. At the last possible moment, instead of providing the documents, I was presented with an excessive bill for $3,213.01 which was subsequently reduced to $710.80 by the IPC. Records obtained showed that a board chair had expenses of $16,600—this is for one year—of which nearly $11,000 was withdrawn in cash. I agree with Commissioner Tom Wright that the information should be available off the shelf without need for an access request.

The question is, how do we get that to happen, given the resistance to information release? Even as a trustee, it has been necessary to use the access act through the appeal stage to get an IPC order.

On the reverse side of this submission, I would like to draw your attention to the request for consistency between the provincial and municipal legislation with respect to continuing access.

If the access acts are expensive to institutions, I would like to point out, from my experiences, that those expenses are self-inflicted wounds. I would also like to point out that while there are mechanisms within the legislation which allow the institutions to recover costs, there is no such protection for requesters. In my present mood, if it would not a further burden on the taxpayer, I would be tempted to suggest institutions should recompense requesters who the IPC finds have been wrongly denied access. Nobody paid me for all of this and the remainder of it, which is at home.

That's part of a story which has rather unfortunate implications for the public. I'm now open for questions.

The Chair: Thank you very much. We have about seven minutes per caucus for questions and we start off with the opposition caucus, Mr Phillips.

Mr Phillips: Mr Hogg, how are you doing? I appreciate your presentation.

The schedule that you referred to is but one of, as I think you know, 14 or 15 that we're dealing with. This bill is huge, and you've, I think very appropriately, pointed out some concerns about that much of the bill. I regret to inform you that we as a committee have so little time to deal with each of these areas, I'm afraid we're just simply not giving justice to major concerns. Some earlier delegation—actually, some students from the University of Toronto—pointed out that this is what they said in the Common Sense Revolution: "We're taking decision-making power away from the politicians and the bureaucrats and returning it to the people themselves. That's what the Common Sense Revolution is all about." Yet, as you point out and the commissioner on freedom of information points out, what this bill does is it hides more of the information from the public. I wonder if you could give us any recommendations on what we should do with this section of the bill to make certain that the public has reasonable access to information.

Mr Hogg: I appeared before the triennial legislative committee on this freedom of information act, and I understand that there are some people who are abusing the system, but that doesn't go for most of us. I have had only one of my requests denied when it went through the IPC, and that had its own humour immersed in it because I did two things: I went to the ministry and asked them if they supplied the board with a document and I went to the board asking if they'd been supplied with the document by the ministry. The ministry said that they hadn't supplied the document and the IPC told the board that they had received one. So it was an amusing situation.

I really made two points that I want. I don't think it's appropriate to abuse the act. I mean, if somebody sends in 10,000 requests because you've got two free hours per request, that is an abusive process and shouldn't be allowed to happen. So I don't have a problem with actions being taken, and I understand the IPC has already issued an order dealing with those vexatious situations. You know, because one or two people might abuse the act, that shouldn't stop people who've been very reasonable in the use of the act from doing it.

This business of a fee I have a great concern about. If it's a nominal fee, I'd be quite happy to meet it, but if the fee becomes unreasonable and in fact becomes a bar to accessing information, then I would like to see that struck down. I think it's much more appropriate to deal with it through orders that prevent vexatious requests.

Mr Phillips: Have you any specific recommendations for us on how we might amend the proposals in schedule K to accommodate your concerns?

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Mr Hogg: Unfortunately, I haven't been able to see it. The data that I have are really as a result of what I read in the media, and that sparked sufficient concerns—the idea of a fee, the idea of pursuing this business of cost. I think that you should have understood from my presentation that the costs that the institutions have tried to stick me with have been absolutely and utterly unreasonable. It would appear that these were attempts to bar access.

There are things in the schedule already there, but what I'm suggesting is that there are other things that may be added to it. This is by no means all, but you can see the amount of data that I had to go through in these, and nobody recompenses me for that. I have no recourse; the act doesn't give me any recourse. I can't go to the IPC and say, "These people are behaving unreasonably." In the political wisdom that you have and the access that you have to people who write this legislation, I would like to suggest to you that you look at that aspect of it.

Mr Phillips: I appreciate that.

Mr Hogg: Because, in fairness, MSSB isn't unique in this regard. There are other school boards that are every bit as restrictive in the way that they release.

Mr Phillips: I think your point is that with the existing legislation it's difficult enough and expensive enough to get the information. This legislation is designed to make it more difficult and more expensive to access information. So, if I can interpret what you said, I gather you've not had an opportunity to review the specifics of the bill.

Mr Hogg: To go through in detail, no.

Mr Phillips: Unfortunately, I realize you probably didn't even find out you were going to be presenting here until probably 24 or 26 hours ago.

Mr Hogg: This afternoon.

Mr Phillips: This afternoon?

Mr Hogg: That's right, so it was too late. If I'd known it was so few pages, then I might have made steps to get them, but it was really more important to me to get my thoughts down.

Mr Phillips: Mr Hogg, just in case I run out of time, let me just assure you that if you felt the previous bill restricted you, the intent of this bill is to tighten up access. I would ask you if you could take the time, not tonight but over the next few weeks, and let us know your thoughts on ways that, in your opinion, the bill could be amended so that we can ensure that there is reasonable access to information.

Mr Hogg: I'd just like to leave you with one thought. As I say, there is only one occasion on which the IPC hasn't agreed with the direction of my requests, and that was with a school board. Meanwhile, the ministry had given me what I wanted, so I couldn't care less, really. But if there is a consistent demonstration of restricting access to documents that subsequently the IPC says should be made available, then there should be something that kicks in that will affect the institution. There has to be some indication to the institution that they're not conducting themselves in a reasonable manner. It would be far better for them. They don't need this work, either. I got mine for free, but it costs them. But the public can't have any influence on this and I would really like to see something in the act that addresses that, that takes some action on the institution.

Mr Cooke: Mr Hogg was responsible for me being able to fight off treasury board when they were trying to cut back the full-time equivalents or staff in the Ministry of Education, because I could justify maintaining our level of staffing just to meet all of Mr Hogg's requests.

Mr Hogg: All four of them?

Mr Cooke: Just kidding. I have a couple of points and one request. I'm not sure whether, when the freedom of information commissioner was before us, he actually gave us a copy of the policy that the commissioner has adopted in order to deal with frivolous requests. I mean, I've got the stacks of stuff that he's provided, but I don't remember him giving us the actual directive. I wouldn't mind looking at that, because certainly when he was also before the Board of Internal Economy justifying his budget, he seemed to indicate that that policy directive was going to deal with requests that were not in line with the original intent of the freedom of information act and that there wasn't a need to put new user fees in place.

I think one thing that you've demonstrated to me over the time that I've known you is that information is power and that if you want to influence public policy, it has to be with information. Obviously where you get information is through the agencies and different levels of government that have that information, and you've made good use of it over the time that I've known you.

I guess what we wouldn't mind you doing is if you could take a look at the act. There are people who abuse the system, but that's the nature of any government service, that there's always going to be some who are going to abuse it. But I wouldn't mind better understanding what specific recommendations you would like us to look at amending, the government amendments, because this will tighten it up considerably, just the removal alone.

I think when the FOI commissioner was before us he said 85% of the requests are dealt with in the two free hours that are currently in the law or in the process that they follow. Now, with these additional user fees, there won't even be the two free hours that are available when you're making requests for information. So if you could supply us with that, I would appreciate that, and we can take a look at putting forward amendments.

The other thing, just to give you an idea of how far this government is prepared to go, in the last Board of Internal Economy meeting the government members of the Board of Internal Economy were even suggesting that we should be considering user fees for those who want to access the Ombudsman's office. I think we're moving very quickly in a direction that any government service, whether it's freedom of information, the Ombudsman or anything else that's been put in place to try to help ordinary citizens better understand government and deal with grievances they have with government, this government is going to put fees and barriers in front of access, and that in the long run I think is going to be bad for the development of public policy.

I don't have questions. I understand the point. If you have any other responses, I'd certainly be more than willing to listen.

Mr Hogg: Actually, on a television show my privacy was breached, because when you make a request your privacy is supposed to be protected, and it was breached on a television program. The statement was made that I'd cost the board thousands of dollars. That might well have been true, but the whole point is that I think that I also saved them thousands of dollars because they knew that if they were going to continue their profligate ways, there was a guy out there ready to go in and start probing questions and making it public. I mean, of this $16,000 for a chairman's expenses, $10,880 was withdrawn in cash. That's not how I use my credit card. I doubt very much whether more than 0.1% of the people—but this is what was happening. That to me appeared to be abuse of the system. I would suspect that the subsequent chairs are acting a little carefully because they know that there are watchdogs. So yes, sure I cost them money, but I think I saved far more than I cost them.

It's this sort of thing that I think needs to be protected. If somebody just gets a bad mood against some particular agency and then fires in thousands and thousands of them, that clearly is an abuse of process. But there has to be balance and reasonableness. It's difficult to legislate reasonableness. We know there are certain deficiencies attached to democracy, but at least don't close the door on a process that I think is working very well and to the benefit of the public.

Mr Tascona: Thank you, Mr Hogg, for your presentation. The application fee and the ability to refuse to reply to frivolous or vexatious requests that are contained

in the schedule reflect the recommendations of the standing committee on the Legislative Assembly's review of the freedom of information and privacy legislation. Specifically, having read your presentation, you may be pleased to know that the fees are going to be set by regulation rather than at the whim of the provider. That's in the legislation.

Mr Cooke: It'll be a fee at the whim of you guys.

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Mr Tascona: I would also say that the requests with respect to frivolous or vexatious claims are going to be subject to appeal. Certainly they're going to be at the front level. The privacy commissioner did indicate he'd rather have them at the end level, at his level, but that would not have provided, under his recommendations, for the individual to be a part of that appeal process. So we're front-ending the "frivolous or vexatious" part with a right of appeal. I'd like to make that clear.

What I'm interested in, though, because you have an understanding and a tacit agreement, I would take it, that frivolous or vexatious claims should be regulated in the process, I'd like to ask you a little bit more with respect to what actions can be taken or you would recommend with respect to the institutions that are being unreasonable rather than a direct appeal to the IPC or some measures that can be taken by the IPC.

Mr Hogg: I haven't found it possible to interact with the institutions. I am regarded in the education reform movement as having acquired some expertise in this regard. I think that's probably fine. But when somebody provides you with five pages of valueless information and then tries to charge you $7,000 for copies of it, obviously there's something wrong in that response.

Mr Tascona: But I think we've addressed that by putting in a procedure with respect to the requester. You'll see that there is a due process there. Also, the regulations are set; they'll have to follow those.

Mr Hogg: But we have that now. I went through that with this one on the expense accounts. The IPC reduced it to $710, but nine months of my time had been consumed in the interim and I got no relief from it. Again, I'm retired now; $700 is a substantial amount of money. The information, the few pages that I got, indicated that there was something worthwhile examining.

Mr Tascona: But when you see the legislation, you'll see it's very specific in the legislation. There will be regulations to deal with such costs, dealing with shipping costs, for example, the costs of preparing the record, in the legislation.

Mr Hogg: I read all that; 20 cents a copy.

Mr Tascona: I'd welcome you to look at that if you feel that should be strengthened in terms of being more specific in that area, based on what you've said.

Mr Hogg: I think that my position, without having thought through it very thoroughly, is that if the IPC rules in favour of the requester, then there should be certain implications involved in it. If there is any nominal fee, that fee should be waived. If the institution is clearly being arbitrary and vexatious in its response—I mean, if a request is frivolous and vexatious, it can be shut off. What happens if the institution responds in a frivolous and vexatious manner? Is there anything in the act to cover off that situation? I think there's got to be the balance there.

Mr Tascona: That's what I'm asking you, what you think the balance should be, just a waiver of the fee or should there be something else?

Mr Hogg: Certainly a waiver of the fee. If an order is issued in favour of the requester, then the fee should be waived, there is no question, because what the IPC is saying is that this information should have been accessible without the institution consuming its resources to prevent access. But I think that if there is a record on the part of an institution that can be seen to be preventing access when the IPC clearly believes that access should be granted, then there's got to be some action taken, just the same as, I assume, if somebody is identified as a frivolous and vexatious requester, some action is going to be taken.

Mr Tascona: Just one final point, though. You made the point about continuing access. Could you just elaborate that in terms of what you're looking for?

Mr Hogg: I'm not the requester in this particular regard, but in the provincial legislation I understand that once access is granted, then you don't have to submit any more requests, that access is continued. Now, what I understand happened here was that there was a request placed on one of the school boards in the Waterloo area for minutes and board agendas, and so on and so forth. These should be in the public domain anyway, but there was some process in place that prevented continued access to those documents, whatever they were. Now, this doesn't make any sense to me. I haven't experienced this, in fairness. When I got to know about order M-27, which is one that gives access to test results, all I've got to do is to quote the order and I get access. But there must have been something happen in this particular case. I would like to suggest that whoever contacts Mrs Malkin Dare get the specific details on this one.

The Chair: Thank you very much, Mr Hogg, for appearing before our committee.

Housekeeping: Mr Cooke, I believe Mr Richmond is going to undertake to obtain the document from the privacy commissioner. What we'll do is just make that available to any committee member rather than photocopying it for everybody.

The clerk is out looking for the next presenter, so we'll just hold on for a few minutes and see.

Mr Phillips: Mr Chair, I think the minister indicated he'd table that legal opinion on the taxes. Have we had that tabled yet? Mr Leach, I think on Monday morning, said he would table the legal opinion.

The Chair: First day he appeared?

Mr Phillips: Yes. Maybe you could follow up.

The Chair: Oh, his legal opinion from his ministry?

Mr Phillips: Yes.

Mr Hardeman: Mr Chairman, if I might, the legal opinion has not yet been tabled, but it is forthcoming. I have checked with the ministry.

Mr Phillips: Oh, good.

Mr Crozier: Has the opinion been given?

Mr Phillips: Would you expect it this week?

Mr Hardeman: Yes.

The Chair: Perhaps we can do the same with that, leave it with Mr Richmond, and we'll make it available to any committee member who wishes to see it.

Mr Cooke: I don't know about the government members, but I think I can speak for the opposition members: We'd all like a copy.

Mr Phillips: We'll even pay for the photocopying.

Mr Crozier: We'll pay the $2 user fee.

The Chair: We'll just wait a few minutes here.

The subcommittee recessed from 1927 to 1957.

EQUAL PAY COALITION
COALITION POUR UN SALAIRE ÉGAL

The Vice-Chair: I'd like to welcome you to the hearings. This is the Equal Pay Coalition. I was just wondering if you could identify yourselves, and then we can commence the presentation. Thank you.

Ms Daina Green: My name is Daina Green. I'm a member of the Equal Pay Coalition.

Ms Harriet Simand: My name is Harriet Simand, also with the Equal Pay Coalition.

The Vice-Chair: We have half an hour.

Ms Green: Okay, we will be happy to begin. For us, this presentation to you today on the omnibus bill is a matter of fairness and it's an issue of a promise to underpaid women which the Harris government is breaking.

We're here from the Equal Pay Coalition. The Equal Pay Coalition has been around for almost 15 years. Je pourrais dire que la Coalition pour un salaire égal regroupe plus de 60 organisations qui luttent pour des salaires justes pour les femmes. We represent labour organizations, community organizations and business organizations, all of which see pay equity as an important part in the struggle for economic justice in our province for women.

We have come before you today to ask the government not to repeal portions of the Pay Equity Act which are designed to ensure wage justice for tens of thousands of underpaid female workers in Ontario. It is very ironic that just today, on the front page of the Toronto Star, and also on page 10 of the front section of the Globe and Mail, we have seen a report that for the first time in 30 years the wage gap between men and women is starting to widen. This was something that many people thought was in the past, but those of us who have been working very closely with the issues of pay equity realize that we're not there yet. This is not a good time to stop the process towards justice for women.

The problem with the omnibus Bill 26 is that it shuts the door on women who are still owed wage adjustments under pay equity using what's known as the proxy method. These women who are being left out in the cold are women who work in child care centres, nursing homes, treatment centres and other organizations, and those who provide services in the community and in people's homes. These are very important services.

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We were temporarily, I should say, cheered to hear a speech at the Pay Equity Commission by the Honourable Elizabeth Witmer at which she said publicly that she and the government are firmly committed to pay equity. This is a question of some puzzlement to us because we now wonder why the government has chosen to stop the progress of the most underpaid and vulnerable women in their march towards fair wages. The only reason is that these women work in all-female workplaces. The bill takes away their rights to achieve pay equity under the proxy method.

In 1985—that is, more than a decade ago—the government of the day set out a method to achieve pay equity using comparisons between male jobs and female jobs in the same workplace. This left out women who work in workplaces where there aren't any male jobs. However, at that time the government promised that it would search for a fair method to ensure that those women as well get pay equity. As we've mentioned, they tend to be very underpaid and undervalued because they work in all-female workplaces. The wages are depressed.

In 1993, the government of the day found such a method that would work as a way to make sure that women in all-female workplaces would get pay equity. The adjustments were not retroactive but, just the same, our Equal Pay Coalition and many women and many women's groups were cheered because it looked like, even if it was taking a long time, the women would finally achieve pay equity. That promise of equality has kept women going in jobs which are really terribly underpaid, as we'll see, a little bit longer.

That brings us to the present moment. At the current time this government, without reviewing the Pay Equity Act, which I might point out is required under the Pay Equity Act, has stepped in to roll back pay equity. The Harris government is telling these women that either they will get no money at all or that they will only get partway to the wage parity that they were promised. Here, in many cases, we're talking about plans that were posted on the wall, that were signed. Women said, "This year I'll get this much and next year I'll get so much and the year after that I'll get so much." The omnibus bill says that those agreements are null and void.

What is the message to the women? The women are being told that they are expected to continue to subsidize the very services that they provide. You are telling them that they should just give up hope on being paid what they deserve.

Ms Simand: Some of the problems we've noted with the omnibus bill for women who work in all-female workplaces is that there are still a lot of employers who have not yet agreed on a proxy comparator. If it's not agreed by the end of next year, these women are going to get nothing.

Bill 26 only insists for those people who have already signed plans that they only have to pay 3% for payroll for 1993, which means in many cases that women won't even get the benefits they're entitled to. If your 3% does not equal what your equity adjustment should be, that's the end and all they have to do is pay out 3%.

There's also been correspondence from different ministries advising unions and employers that if their plan is not submitted by the end of this year, there's going to be no funding. So you may sign a proxy plan in 1996, but there's going to be no funding for those organizations.

Finally, we are concerned with one of the mechanisms in the act. It's going to repeal the entire proxy section as of January 1, 1997. Our concern is that even if you have rights under the existing act, or even under the transition period as provided for in Bill 26, the mechanism to complain is going to be repealed, and therefore there is going to be no way to even enforce the rights that this government is planning to give people under proxy. We assume that's an oversight and we assume that will be corrected so that at least methods of enforcing what this government is proposing to give women under proxy can be enforced.

In practical terms, we've provided one example to illustrate what this actually means. For homemakers in Brantford, the two parties had already agreed on what the pay equity adjustment was going to be. The homemakers' current wage was $10.50, and the comparator's rate was $16.70, which is a gap of $6.20 an hour. If the employer only has to pay 3% of the 1993 payroll, this is a 36-cent raise, and in fact this is all, under the current legislation, they're going to be entitled to. After 36 cents, that's it. So even for women who will be able to get some proxy under the current legislation, they're going to get in many cases almost an infinitesimal fraction of what they're entitled to.

We'd also like to point out that in terms of Ontario as progressive legislation, the Equal Pay Coalition has been invited to countries all over the world: England, Brussels. We've had delegations from Sweden and Japan that have come to Ontario specifically to study how Ontario implemented the Pay Equity Act, in order to model similar pay equity acts for their countries.

We think that, from the government's point of view, this is very internationally well known, and certainly for countries that are considering pay equity it is shortsighted to repeal proxy when this is one way of compensating for some of the problems that were in the original act; that is, if you happen to work in a workplace where there are no male comparators, you get absolutely nothing, even though your job may be undervalued.

Ms Green: I'd like to go directly to the recommendations we're making regarding the section of the omnibus bill that relates to proxy pay equity.

Our first and most important recommendation is that the proxy pay equity methodology be maintained until the women reach the equal wages that they're entitled to. It seems that it would be consistent with some of the other measures the government has taken not to be very concerned about women, and poor women in particular, so we wonder whether the government will take our advice on our first recommendation.

If the government insists on rolling back the promises to these women, we believe there are some minimum conditions that must be met in any case. First of all, the women should not lose what they have already gained. The pay equity plan that was agreed to must be honoured, and there cannot be any takeaways. If they happen to have gotten more than what is minimally stated in Bill 26, they should be able to hold on to their new wage rates and have them increased as per the plans that were in place and that are in place today.

Our third recommendation is that employers who renege on their payments must be subject to enforcement, and that means that the provisions for complaints that are now set out in the Pay Equity Act must be maintained. We cannot have a situation where an employer wins by simply dragging his heels and not agreeing to a proxy pay equity plan until the whole thing goes up in smoke. That would be completely unacceptable. There are certainly many employers who are not rushing to pay their workers a fair wage if there's no way that the women can complain after the period that they didn't get what the employer promised. That would be a gross miscarriage of justice.

Our final recommendation has to do with the way many women, especially women who don't belong to unions, have been able to see their cases taken forward. That mechanism was set up a number of years ago, and it is the Pay Equity Advocacy and Legal Services clinic. This is a specialized clinic which ensures that non-unionized women get legal representation and advice to secure their rights under the Pay Equity Act.

We have been told that the government will be ending funding to PEALS in the spring of 1996, and they are already not allowed to take on any new cases. Therefore, right now, if there are women who find out that their employer is not going to go ahead with proxy, for instance, and they call up PEALS, PEALS says, "Sorry, we're closing down; we can't help you." If these women don't have a union, and most women in the proxy sector would find themselves in that situation—contrary to news reports, this is not necessarily a majority unionized sector—then they'll find that they have nowhere to turn. It is very complicated legislation to take to a local legal aid clinic. PEALS has already specialized in this matter and is very able to help women who feel that they are not getting what they are due.

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So those are our four recommendations. We wanted to make sure we left some time to answer any questions that you might have and also to clarify whether it is your intention to close the door on these women, roll back what they have and leave them without a complaint mechanism.

The Chair: Thank you. We have six minutes for each caucus to ask questions, starting with the third party.

Mr Silipo: I appreciate very much this presentation, for a number of reasons, particularly and centrally because I think you make the point very clearly about why the need for continuing proxy pay equity. I appreciate particularly the example that you use in your brief in terms of showing what this means for homemaker and home support workers, because one of the things we've continued to hear from the government members is that what they're doing here is really no big deal, that they're simply returning pay equity to what it was originally intended to be.

In fact, you might be interested to know that the only statement we've received here formally from the government was about two lines from the Chair of Management Board when he appeared before the committee saying that the Pay Equity Amendment Act, 1995, will put pay equity for public sector employers more in line with those

in the private sector and return pay equity to its original principles.

I certainly recall that the original principles of pay equity were I think the ones that you've outlined here, which were to provide for pay equity for all women. Even in the original legislation, while the government did not bring forward provisions that were later rectified by proxy and under the previous Liberal government, when they did bring it, there was a commitment in fact to do that. Then the legislation that we brought in—and I know about that legislation, having had responsibility as Chair of Management Board at the time, working, among others, with the coalition to develop the plan—it was done specifically to fill the gap, and to fill it for thousands of women who were in the lowest-paid categories.

I guess I'd just like you to talk a little bit more, focusing in on that point, because I really am struck at the insistence we've seen so far by the government members that somehow what they're doing here is nothing out of the ordinary. They seem to fail to appreciate the fact that they are taking a piece of pay equity away from, in effect, one could argue, a group of women that needs it the most.

Ms Simand: I think we would certainly agree with that. It's not just a question of returning to pay equity principles. The pay equity principles were that all underpaid women in Ontario would be paid properly. There was just a loophole because in some establishments they had no male comparators. So just by the fact of where you happened to work, whether you had enough men there or not, would depend on whether you deserved a pay equity increase.

The whole reason for bringing in proxy was in fact to ensure that the original pay equity principles would be enforced. Certainly, proxy in no way goes over what pay equity is; proxy just provides that all women are going to get pay equity and that you don't get left out just because you happen to be in an all-female establishment. You work at a battered women's shelter, you're a homemaker; it doesn't mean you deserve nothing because there doesn't happen to be enough men in your establishment to find a comparison.

Mr Silipo: One of the other comments I know that we've heard on a couple of occasions is around the concern that has been expressed by some agencies around how proxy was being implemented, and I think particularly also around the costing. Now as I recall, I don't know if it's been changed so far—obviously it's going to be changed dramatically now—but the provision of funding that we had set up under the previous government was to flow the dollars at 100%, which would cover the proxy so the agencies would not be in a position of not having the funds to pay. Although we all know that there were some problems in some cases with how the implementation of it was taking place, my sense was that those were being looked at. I don't know if you've got any further comments on that.

Ms Simand: We know that we have been hearing things through the members of the organization that people are being told that there's no guarantee that they will get those flow-through dollars. That is very problematic. If you go back to the case study that we showed, in the first go-round where they got 3%, which is what this government is proposing to make basically the cap that employers would have to pay, that only reduced the established wage gap by 5%. So 95% of the wage gap was still there after they got their 5%.

One of the things that I think we need to keep in mind is that it is a benefit to these employers to have better-paid staff who have high morale. If you now tell these women that they're never going to get the money they're owed, it really demoralizes them. The fair wages, even though they were 30 years in the future for some of these women, kept them going, said, "Well, I know my job is worth that and I'm going to get there."

It is seen in many of the service sectors where the wages are very low that it's a revolving door, that it's hard for people to stay motivated because they feel there's no recognition for the work. We're talking about the people who might go into your home and take care of your mother while you're at work. We're talking about the people who might take care of your niece or your nephew in a children's treatment centre, or a neighbour who has to go to a battered women's shelter. We're talking about services that are very difficult to provide, that are very crucial, that are very emotionally demanding.

Part of the lift we got through the proxy pay equity is not quantifiable in dollars. It's the morale boost that says, "Everyone recognizes what my job is worth." What this government is saying is: "Your job isn't really worth that. We're not going to pay you that. Give up. Forget it. Go back to a little bit more than minimum wage. That's what your job is really worth."

Mr Tascona: I was interested in your reference to that newspaper article on the male-female wage gap, because in looking at it, I understand it applied to Canada and I also understand that the rationale for the drop in women's wages and the widening of the gap reflects, as they state here, "an economic resurgence of industries battered by the recession that are traditionally male preserves." Also in the article, there's a statement by Doug Porter, the senior economist with Nesbitt Burns, that he agrees that there could be a trend reversal; in other words, these industries, I think it's manufacturing and construction, didn't have a very good year in 1995 and what we'll see is a potential reversal and the gap will be narrowed. I guess one could say it's sort of a revolving situation.

Ms Green: It certainly has been revolving, because most of the women have been in a position where the social contract would have kept wages from going up, except that most of these women are so far below the low-income cutoff that they would be getting a pay equity increase.

Mr Tascona: I was only referring in terms of the Statistics Canada applying to Canada. Obviously, we don't know what the situation is in Ontario from that article.

But dealing with your presentation, you certainly have made some interesting points, one of them dealing with the enforcement mechanism. It's your concern there that there is potential for the failure to meet the obligations and that the act doesn't adequately provide that. I take it you're in favour of a process that would allow for that.

Ms Green: We believe that if the government is setting out a mechanism, it has to be enforceable. You can't wait till the end of the period and then the woman goes, let's say, to the Pay Equity Commission and says, "My employer didn't implement it," and then they say: "Sorry, it's erased. There is no more proxy pay equity. There's nothing for you to complain about."

Mr Tascona: So in effect, if there's an actual violation that would trigger the complaint mechanism, that's what would have to be put in place.

Ms Green: Yes. We have to make sure that the right to complain isn't removed. Right now, what the omnibus bill says is that the agreements that were signed are suspended.

Mr Tascona: I guess it's a matter of interpretation. I am making notes of what you're stating there, because certainly you want to have a bill that provides an enforcement mechanism, so your point is well taken.

Ms Simand: It's also important in terms of the enforcement mechanism that there are obligations in the act—for example, maintenance: You can't suddenly in one year just decrease what you've agreed to. If the employer has complied with whatever the new legislation is, there should be something in the act that makes it clear that the other obligations flow from it, so there's still the obligation to maintain for those people who are covered by the proposed new proxy amendments as set out in the act, so that it's not as of January 1, 1997, first, you can't complain and, second, there's no obligation to continue maintaining it. I think the act needs to be made clearer that, if you're going to make these types of amendments, the obligations that they must—

Mr Tascona: Comply and also maintain.

Ms Green: And maintain pay equity.

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Mr Tascona: I guess we're getting into the pay equity principle. What we started out with, the process brought in in 1987, was the same establishment. From there I think it was recognized at that time and certainly in the 1990s that that process didn't cover all female workers; I think it was in the range of 400,000 to 500,000 female workers who weren't going to be covered by the initial phase of pay equity. What we have here, proxy comparison, as I understand it—you may correct me—is that we're the only jurisdiction in the country that has it.

Ms Green: That is correct, but that is because of the method that's used to achieve pay equity, that's based directly on individual comparisons.

Mr Tascona: I just wanted to confirm that.

Ms Green: But our perspective back at the time when proxy was being considered is that these are all salaries that come from the government. The government could simply raise the rate to the proper rate. You don't really need too much of a process. All of this is completely within the government's hands to pay the workers in these all-female organizations—this is only the public sector—to pay them the proper rate.

Mr Tascona: But by the same token, it doesn't apply to the private sector.

Ms Green: The whole idea of pay equity was that it changed the market rate. If you change the market rate in the public sector, presumably for the workers who are in the private sector, that exerts some kind of pressure because you have a disparate wage rate. We're interested in upward pressure so that women's wages rise to meet men's wages, not downward pressure.

Mr Tascona: Yes, and I understand that.

The Chair: Mr Tascona, I'm sorry, you've exhausted the time for the government caucus. I will turn to the opposition caucus.

Mr Phillips: I appreciate the presentation. You mentioned the sort of coincidence that the day you are appearing, the Star has an article indicating that the gap is beginning to widen again. The other coincidence is that if you go out here and walk down the hall, you'll see in one of those glass cabinets a large article, and the headline is, "Women to achieve equal pay soon." That article was from 1952. I encourage you when you leave the building tonight to take a look at it, because the battle goes on.

Ms Green: We're still waiting.

Mr Phillips: I realize that, and today we see the gender gap: men $40,700, women $28,400. We all recognize that there are perhaps some legitimate reasons for that, but there are some not so legitimate reasons.

We just heard one of the government members say that no other jurisdiction in Canada has the proxy method. This is the problem we face, because Ontario has probably led the way in pay equity, certainly in Canada, and now I guess one no longer wants to lead the way, and wait for some other jurisdiction to lead the way. At least this government believes that.

Ms Green: It was a point of good press, actually, for the province that so many people were interested in the pay equity work. It would be a shame to lose that.

Mr Phillips: I realize that. I'm just saying that now I gather the reason for not doing it is because no one else has it, rather than that the reason for doing it is to provide leadership. Can you perhaps help the government members, all of us, by outlining the reasons it's in Ontario's best interests to lead the way in this area, help to outline the benefits to Ontario of continuing to play a leadership role in the pay equity area?

Ms Green: I'll start, and I'm sure Harriet has some things to add. First of all, these kinds of services are typically decentralized types of services that this government has shown some interest in, for instance, homemaker and home support services, some of those smaller treatment centres. We're talking about the community services that allow people to stay in their own homes, receive care and treatment. It is in Ontario's interest to make sure that this is a well-trained and motivated workforce. We're all getting older and we're all going to be needing these services, if we don't need them today, a variety of these kinds of services, and it is in our interest not to discourage young women and men from entering these jobs because the pay is so low. That is one area that it is definitely in the interests of all Ontarians to make sure that this is appropriately remunerated. We're not looking to leapfrog the wages for this kind of work beyond what is normally paid to men who do work of a similar calibre. But we believe that just at the basic level of justice, that is in Ontario's interest.

Ms Simand: When we look at the Pay Equity Act, who was already receiving it, if you happen to be in an establishment where you have a male comparator, you get pay equity, in the private sector or in the public sector. The only people who aren't going to get pay equity are people who happen to work in an establishment that is mainly all women. Women who work in those types of establishments are usually the most underpaid and the most undervalued—battered women's shelters, homemaking services. It doesn't make sense to, on the one hand, say, "We're going to have a Pay Equity Act and all these women are entitled to receive pay equity under the act," and the only people who aren't going to get it are in fact really the women who need it the most. There's really no reason why this segment of the population of women in Ontario should be cut out of the Pay Equity Act.

Ms Green: And this is an area where the government should lead the way. If the government wants to show that it believes in fairness, it should honour its agreements and raise the wages of these women, as it promised to do.

Ms Simand: It's already in place. It's not as if, "Should we introduce proxy at all?" It's already been around for several years, it's already been done in many establishments. For the establishments where they've already agreed on the comparator and what the wage rate is, they can just continue paying it. They don't have to start up again. It's already done, it's already in progress.

It's not a perfect system, but if the government is concerned that it's not working perfectly, you should try to think of other ways of getting these women money, as opposed to just deleting proxy so they'll end up with nothing.

Ms Green: They're also going to be angry about it.

Mr Crozier: You mentioned at the outset that Minister Witmer was in a venue where she stated that she was committed to pay equity. Could you expand on that—in other words, the context in which it was said and what you thought of those comments?

Ms Simand: It was at the Pay Equity Commission. Brigid O'Reilly, who has been the commissioner of the Pay Equity Commission since this began, was retiring, and Ms Witmer was invited to speak at her retirement. It was open to the community, people interested in pay equity, and I attended. She gave a little speech, and one of the first things she said was that she was firmly committed to pay equity. All of us in the audience were actually very happy, because we were very concerned about what was going to happen with pay equity and we assumed that if she was committed to pay equity, the proxy method wouldn't just be completely deleted. If there were problems with proxy, perhaps there could be amendments or some changes, but not completely either deleting pay equity or limiting payments to 3% of the 1993 budgets.

Mr Crozier: Did she simply say pay equity, period, or was there any kind of further explanation, or was that what you gleaned out of that?

Ms Simand: No, she didn't go into detail about the proxy method. The first thing she said was, "I want you all to know that I am firmly committed to pay equity." For anybody who's firmly committed to pay equity, pay equity means that underpaid women in Ontario deserve to be paid their proper wages, which would include, definitely, the most underpaid women and the most undervalued women, who are women who are now going to be caught if proxy ends up being deleted or radically changed.

The Chair: Thank you for appearing today.

That ends our session today. Mr Silipo?

Mr Silipo: On a point of order, Mr Chair: I raise something just to seek your help, mainly, at this point. I want to follow up on the point in this last submission about the comments made by the Honourable Elizabeth Witmer, the Minister of Labour, who is the minister responsible for pay equity. I wonder whether we could ask through our research if there were written copies of those comments that could be made available to the committee. That, I presume, could just be a straight request.

The point I need your help on is that of the various ministers who have appeared before the committee to explain the content of Bill 26, Mrs Witmer was one of the ministers who didn't appear. What would be the process whereby the committee could ask her to appear before us at some point?

The Chair: We can request that she appear. The time frame wouldn't permit her to appear before this week, and then the committee's on the road, but—

Mr Silipo: No, I appreciate that it wouldn't be feasible to ask her to appear this week, but I don't know if at the beginning of the clause-by-clause or at some time during that week it would be feasible, or whatever seems to be sensible. Do you need a motion for that, or is that something that can be undertaken?

The Chair: Can I just take that under advisement and report back tomorrow morning?

Mr Silipo: That'd be great.

Mr Cooke: I'm assuming we will have cabinet ministers before us on the first Monday when we're doing clause-by-clause, because somebody's going to want to announce the amendments that are being brought forward, and cabinet ministers usually do that. You might be able to finesse it around that.

The Chair: We are not sure what their arrangements have been for that, so perhaps we can take that under advisement too. We'll talk about it tomorrow and perhaps tomorrow we'll refer it to the subcommittee.

Mr Cooke: Speaking of amendments, we have a pool we're running, that the opposition members have participated in, on how many amendments there will be. If anybody'd like to join in, it's five bucks, so all they have to do is give us a number.

The Chair: That's not a point of order, Mr Cooke. I have to rule that one out of order.

I do want to remind members that we're meeting tomorrow in room 151, and we'll start at 9:30.

The subcommittee adjourned at 2031.

EVIDENCE SUBCOMMITTEE
STANDING COMMITTEE ON GENERAL GOVERNMENT

Chair / Président: Maves, Bart (Niagara Falls PC)
Vice-Chair / Vice-Président: Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Flaherty, Jim (Durham Centre / -Centre PC)
Grandmaître, Bernard (Ottawa East / -Est L)
*Hardeman, Ernie (Oxford PC)
*Maves, Bart (Niagara Falls PC)
Pupatello, Sandra (Windsor-Sandwich L)
*Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Wood, Len (Cochrane North / -Nord ND)
*Young, Terence H. (Halton Centre / -Centre PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:
Cooke, David S. (Windsor-Riverside ND) for Mr Wood
Crozier, Bruce (Essex South / -Sud L) for Mrs Pupatello
Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître
Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Also taking part / Autre participants et participantes:
Churley Marilyn (Riverdale ND)
Colle, Mike (Oakwood L)
Curling, Alvin (Scarborough North / -Nord L)
Gerretsen, John (Kingston and The Islands / -Kingston et Les Îles PC)
Klees, Frank (York-Mackenzie PC)
Silipo, Tony (Dovercourt ND)

Clerk / Greffière: Mellor, Lynn

Staff / Personnel:
Pond, David, research officer, Legislative Research Service
Richmond, Jerry, research officer, Legislative Research Service

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Assemblée législative de l'Ontario

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

Evidence subcommittee

Thursday 21 December 1995

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Jeudi 21 décembre 1995

The subcommittee met at 0931 in room 151.

SAVINGS AND RESTRUCTURING ACT, 1995
LOI DE 1995 SUR LES ÉCONOMIES ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficience du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

ALLIANCE OF SENIORS TO PROTECT CANADA'S SOCIAL PROGRAMS

The Chair (Mr Bart Maves): Good morning, ladies and gentlemen. Would the member from the Alliance of Seniors to Protect Canada's Social Programs please come forward. Good morning, sir. Welcome to the standing committee on general government. This morning you'll have half an hour to make your presentation. You may want to leave some time at the end of your presentation for some response and questions from the three caucuses. I'd appreciate it if you'd read your name and your organization into the record.

Mr Jim Buller: That is a typographical error. It's not Tim; it's Jim.

The Chair: It's Jim Buller, the program coordinator. You can begin at any time, sir.

Mr Buller: I'll have a few additional things to bring before the committee following the formal submission which might assist the committee in analysing the potential impact of this bill.

Our alliance is an advocacy coalition which has worked closely with the Ontario Coalition of Senior Citizens' Organizations and the Social Planning Council of Metropolitan Toronto. We have led delegations to most of the federal MPs in the Metropolitan Toronto area and also lobbied MPs at the national federal Liberal caucus in Toronto last February, prior to the presentation of the 1995 federal budget.

Our alliance opposed the regressive block funding cuts of some $6 billion to the provinces—and I believe it's even greater than that; I think it's closer to $7 billion—which undermine our social programs, which are the very glue that holds Canada together. Foremost among the social programs is medicare, with its national standards as enshrined in the Canada Health Act. The provinces deliver the social programs which are partially funded by the federal government.

We feel that Bill 26 goes far beyond what is considered acceptable by undermining many vital services which are absolutely essential for Ontarians.

The imposition of user fees for prescription drugs, as well as the deregulation of drug prices, is a capitulation to the drug manufacturers and will undoubtedly result in higher drug prices for Ontarians, especially seniors and the most needy. All other provinces regulate drug prices.

I might add, just as an aside, that last Saturday our alliance met with the Honourable Douglas Peters, who is the federal Secretary of State for International Financial Institutions, and we discussed the patent drug legislation that the federal government has. This was amended during the Mulroney years. The powerful drug lobby was able to get a 20-year monopoly on patent drug prices that would exclude the generic varieties, which are lower-priced. His response, and you might all be interested in this, was that the drug manufacturers have a very powerful lobby and the federal government found it very difficult—and this goes back to the era of the Conservative government as well—to resist this powerful corporate lobby. I think that's very well worth noting.

The need to reduce the deficit can be assisted greatly by adopting a fair tax system for Ontario. In submissions to the federal Finance minister, we proposed closing the numerous corporate tax loopholes and subsidies which permit many highly profitable corporations to pay little or no corporate income tax. This can be partially corrected provincially by increasing the Ontario minimum corporate tax rate to 10%. Low-income Ontario residents, with incomes as low as $11,000, pay income tax at the rate of 17%, even though they are at the poverty level.

Furthermore, the provincial Treasurer and cabinet would do well to note that well-off, wealthy Ontarians received a 26% cut in federal personal income tax in the early 1980s. That's an enormous cut in taxes. Therefore, the 30% tax cut is not needed, and Ontario cannot afford it, as it will increase the fiscal deficit even further, as well as the provincial debt.

Rather, the government would be well advised to concentrate on real job creation initiatives and amend the Employment Standards Act to reduce the work week in line with the recommendations of the Donner report. That was a federal report commissioned by Human Resources Minister Axworthy.

I might add that one of the recommendations in that report for job creation, which Premier Harris was very, very concerned about in the story in this morning's Toronto Star, would be a reduction in hours in the Employment Standards Act. We recommended this to the previous provincial Labour minister. We also feel it has great merit. But it seems that the large corporate sector wants to have, rather than shorter hours, longer hours.

I have here—I just want to draw your attention to it—the front page of the Star. You will probably all remember this, when the job applicants were lining up to get job applications to get a job at General Motors, in bitter cold weather a year ago. General Motors was handing out job applications. But rather than creating jobs, they have applied to this government to extend the work week, with a lot of overtime, to 56 hours a week. This request should be denied. They should be told by the government that they have a responsibility to create jobs rather than eliminate jobs.

You might have the photocopy of the jobs that have been slashed by the Business Council on National Issues. They have their corporations, and they have a great many of them—the major corporations in Canada. They appeared before the House of Commons standing committee on finance recently; it was televised. Tom d'Aquino was asked by the chairman of the committee, "How are you going to create jobs?" His answer was, "We're going to create jobs vicariously." So we went to the dictionary, and this is the definition of "vicarious"—"an imagined participation in an experience not his own." That was the definition of "vicarious." At that point, the finance committee, when I drew this to their attention, broke out into laughter, and so did the audience. In other words, they haven't created jobs, they've slashed jobs, which is the exact opposite to what the Premier professes to want so much and which Ontario needs.

We feel the provincial government can assist in job creation by looking at a shorter work week. The Employment Standards Act has not been amended in decades. This would be a great help in job creation.

The impact of welfare cuts on recipients, particularly children, is very harmful and will increase poverty and hunger as well as adversely affecting the health of welfare recipients.

Schedule L of the bill, which amends the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act, would deny full pension benefits to possibly as many as 20,000 government employees. This is described by Thomas Walkom in the Toronto Star of December 7, 1995, as follows: "In effect, it will be able to cheat public service pensioners of between $400 million and $500 million worth of the money owed them." These amendments are retroactive to the day the OPSEU plan was established, on January 1, 1993.

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Schedule M of the bill amends the Municipal Act and 12 other statutes relating to municipalities, conservation authorities, transportation and other matters.

Section 33 makes privatization of public utilities, including electricity, water, sewer or transportation services, much easier, with resulting higher costs to municipal ratepayers, another form of tax hike, along with possible user fees for libraries, parks, garbage collection and prescription drugs—all forms of tax increases due to enormous impending funding cuts by the province to the municipalities.

Seniors and the disabled are now losing the TTC Wheel-Trans taxi service due to provincial funding cuts to the Toronto Transit Commission, with a fare increase and service cuts due shortly.

Taxes are going up while services are being cut, all because the province wishes to give a 30% tax cut to the wealthy.

The downloading of reduced funding by the province to the municipalities forces them to increase taxes or impose user fees, or both, which was not supposed to be part of the so-called Common Sense Revolution. Otherwise, vital essential municipal services might have to be cut or eliminated. This is a huge step backwards. The government cannot reduce the deficit by cutting taxes to the wealthy by 30% while cutting funding to the municipalities.

All members of this committee would do well to read and study the exposé of our tax systems contained in Linda McQuaig's books, Behind Closed Doors and Shooting the Hippo, which deal with taxes and deficits. I might add that in the book Behind Closed Doors, this reveals how the 10 federal personal income tax categories were reduced to three, which resulted in a shift of the tax burden to lower-income people, with a very substantial cut in the tax burden to the very well-to-do.

I'd also mention to you another book which is worth reading, by William Krehm, A Power Unto Itself: The Bank of Canada, The Threat to Our Nation's Economy, because it reveals that when the Second World War ended, the Bank of Canada was able to offer very low interest rates to the federal and provincial governments, as low as 1% and 2%, which eliminated the debt. In other words, this could be done again. There are other ways to reduce the debt and the deficit.

In conclusion, the sweeping powers granted the Municipal Affairs and Health ministers and the cabinet to close hospitals and amalgamate municipalities are extreme, excessive and dangerous. The haste to rush through the passage of this sweeping bill without proper hearings and consultations is dictatorial and a negation of democratic parliamentary practice.

Bill 26 undoes much of the decent legislative initiatives of previous governments, including Conservative governments. It should be withdrawn in the interests of the public good. This human deficit that this bill would create is much greater than the fiscal deficit, which can be reduced by fair taxation. This is all respectfully submitted.

I'd also like to draw your attention to a very important experience that was initiated in New Zealand about 11 years ago. This was an effort supposedly to reduce the deficit, and it was shock therapy. Some economists called it voodoo economics. Before 1984, New Zealand had the third-highest standard of living in the world, the lowest unemployment rate in the industrialized world, almost no violent crime—personal security was taken for granted—the foreign debt amounted to $20 billion and the total public debt stood at $11 billion.

The shock therapy of 1984 saw a 50% tax reduction for the wealthy; a fire sale of $19 billion in government-owned assets, including Air New Zealand, the telephone system, the government insurance agency; and the downsizing of most government services. They closed 70% of all post offices in one day, the railway staffs were cut, TV New Zealand was sold off or cut by half, the funding, and the staff was cut by half; this might have a certain parallel with TVOntario. Half the jobs in the manufacturing sector evaporated and a quarter of a million people had to leave the country in order to find work.

So this shock therapy was all designed to reduce the deficit. What happened? The foreign debt more than tripled to $70 billion. The total public debt jumped almost 350% to $38 billion. The reason for all this type of slash and burn and privatization and tax cuts for the wealthy was to reduce the deficit and reduce the debt. It did the exact opposite. It put New Zealand into a depression and it became an economic basket case for 10 years.

This bill is very similar to what was done in New Zealand and it will not have the desired effects. It will only cause tremendous economic hardship and suffering, and it deserves reconsideration. We feel the bill should be split up and ample opportunity, additional opportunity, should be given for proper discussion and examination.

I was notified of this hearing at 5 o'clock yesterday evening to be here at 9:30 in the morning, and I only got this time because I phoned several times during the day to find out when I'd be appearing.

I'd be only too happy to answer your questions. I also have here what is called Unfair Shares: Corporations and Taxation in Canada. This has the database from the Globe and Mail Report on Business on those corporations and what taxes they pay. Twenty-one per cent of profitable corporations pay no corporate income tax, and many of them that do pay as little as 1% and 2%. I'm prepared to give this to the committee for their use. If you wish an extra photocopy, I have one here. It might be of some assistance to you.

If you have any questions, I'd be only too happy to attempt to answer them.

The Chair: Thank you, Mr Buller. We have about four minutes per caucus. We'll start off with Mr Sampson from the government caucus.

Mr Rob Sampson (Mississauga West): Thank you very much: a good presentation, as you normally do. I think I've had one from you before with respect to auto insurance.

Mr Buller: That's right. I knew your face looked familiar.

Mr Sampson: I want to comment just briefly on this chart that you brought to our attention. It certainly on the surface indicates significant reduction in jobs between 1988 and 1994, but I think one has to be careful in taking a look at the comparisons, because the companies listed here have significantly changed over the space of the six years or so of the analysis. I only know of some of them here because of my previous job in looking at companies involved in the forest products sector.

For instance, Abitibi-Price: It says here they went from 16,000 to basically 6,000 jobs. Abitibi-Price between 1988 and 1994 basically sold one third of its business. So if you're taking the data from annual reports, which is, I gather, what the source of this information is, what you're going to be missing—

Mr Buller: That's originally from the Financial Post, I believe, but it was compiled by the Canadian Centre for Policy Alternatives.

Mr Sampson: Right, but what I'm saying is that to compare Abitibi-Price from 1988 to 1994 without giving recognition to the fact that they have sold about a third of their businesses and downsized from a significant pulp and paper conglomerate to just a producer of newsprint—that has to be taken into account. The same can be said for Canadian Pacific; the same can be said for Domtar; the same can be said for MacMillan Bloedel, which, by the way, has just announced in a place that needs jobs, Pembroke, Ontario, a new facility that will employ 120 new employees just in the plant itself. Noranda has downsized as well.

This is downsizing not by cutting jobs but by selling divisions and various pieces of their businesses to other people. So to really have comparative statistics, one has to compare apples to apples and not apples to oranges. I'm just concerned that while there may well be some recessionary effects between 1988 and 1994, I'm not exactly sure that it's as dramatic as these numbers indicate. I think that needs to be brought to your attention.

Mr Buller: I would only refer you to the very, very critical and pessimistic comments in the papers this morning of Premier Harris, who is very distressed by the lack of job creation. I've given this committee a suggestion which I think is worthy of very serious consideration. That is to amend the Employment Standards Act, which should have been done years ago, recognizing that we have massive automation which increases productivity and has a big role in cutting jobs, decreasing jobs. Because if you can produce twice as much with the same workforce, you're not going to need the same workforce. You just have to look at the news this past week about how sales for Christmas shopping are way off. We're in a very depressed economy and they're talking about the economic recovery as a jobless recovery. This is the term we commonly hear.

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Mr Sampson: There's no question about that, and that's why we believe that our focus—your New Zealand example is very interesting, but you need to carry that forward after those 10 years and indicate what happened in New Zealand now and where New Zealand currently stands. It's certainly better off than what Ontario currently is now. That's why we agree with you that we need to create jobs, definitely create jobs, and that's why we believe that our plan does that. So I just wanted to bring that to your attention, that we have to be careful, again, in comparing statistics such as the ones you brought to our attention.

The Chair: Mr Sampson, you've unfortunately used the government caucus's time. I apologize to Mr Young.

Mr Bruce Crozier (Essex South): Thank you for your submission, Mr Buller. It's truly regrettable that you had so little time to prepare, and we've heard that from many, many of the people and delegations that have come

before us. That's part of the problem we have with this process, that you simply don't have time to prepare.

I echo your comments of Mr Harris's yesterday. We have asked for more time. Mr Harris said yesterday, and I'm not sure when to take him at his word and when not to, but in this case I will because he has said that this bill will be passed on January 26, so hopefully some amendments will be made to it that will be helpful.

Mr Buller, in my constituency of Essex South, which is the southwestern part of Essex county 18% of our population is seniors and it's expected to rise to 20% very shortly. I'd like your comments, sir, with respect to the cuts, and I know you've mentioned the tax cut which we feel is driving this, because $5 out of every $8 that are cut are being returned to those who are, we think, better off than most of us in this province.

The effect that user fees will have on seniors, and user fees not only in the area of drug plans but where hospitals will be able to begin to charge for things like meals and doing your laundry and Kleenex, as well as the municipal user fees that will affect seniors on fixed incomes: Could I have your comments, please, on that?

Mr Buller: There's no doubt that it will have a very serious effect. I have here, for instance, a flyer about a rally at Metro Hall in Toronto about the public services which are at risk of elimination, reduction, privatization or subject to increased user fees. This includes community services, child care centres, special welfare assistance, grants to community agencies, homes for the aged—and I was down at Metro Hall for hearings on that, and if they privatize the homes for the aged, as they're talking about doing, the costs will rise enormously for the elderly who have to use those homes.

There's reference libraries. Wheel-Trans has already been cut for the seniors and disabled. I have the Scarborough Mirror here, in which the Scarborough council is up in arms over the proposed elimination of entire bus routes. In my neighbourhood, Brimley Road, there will be no bus service on weekends. I called my TTC commissioner, who's a Metro councillor, a staunch Conservative, and I said there was no process, that we had no opportunity to make any submissions on this. He just shrugged. He's interested in the Metro Zoo, not in people, just in animals at the zoo.

So we have a tremendous problem there. We could possibly even have garbage collection as a user fee now. It's having a very, very bad effect.

While I'm at it, I might add that the Mirror, which supported the Conservative Party in the last election—

Mr Gerry Phillips (Scarborough-Agincourt): I remember that.

Mr Buller: —has come out in a lead editorial stating, "We didn't support the concentration of power and erosion of parliamentary democracy as Bill 26 heralds. If that is the cost of deficit reduction and economic prosperity, it's too great a cost. The Harris government must find another route."

This is a paper that supported the Conservatives, urged people to vote for you. They're not happy with what you're doing.

Mr Buller: Everybody is entitled to one mistake, so we'll give that one to the Mirror.

Mr David S. Cooke (Windsor-Riverside): I just want to ask a couple of questions about what you think your perceptions of yourself and your members were during the election, because this bill does a lot of things that we think go directly against commitments that were made in the election.

When Mr Harris made a promise in the last provincial election that there would be no new user fees, especially in the health care system, how do you think your members interpreted that? The way it's now being interpreted by the Premier is that everybody understood that this only applied to services covered by the Canada Health Act and certainly didn't apply to the Ontario drug benefit program. How do you think your members interpreted that promise in the election? Because a lot of your members, I'm sure, voted for the Conservative Party.

Mr Buller: We work with various coalitions and alliances of seniors, and I think probably many of them did expect that they would benefit by having no user fees and having a tax cut. But now the reaction of seniors—and this I think includes just about all of the major senior citizens' organizations in Ontario, including the Ontario Coalition of Senior Citizens' Organizations, which presented a submission, Canadian Pensioners Concerned, the Older Women's Network. I met with the board of directors of the United Senior Citizens of Ontario, a long-established group of seniors with a couple of hundred thousand members, and they were dismayed with what's happening. They did not in their wildest dreams imagine that this type of an action would be taken by the provincial government. In other words, they feel betrayed.

Mr Cooke: Mr Phillips has been kind enough to offer me his copy of the Common Sense Revolution—

Mr Phillips: I've got lots of them.

Mr Cooke: Yes, I've got mine buried someplace because I think that's about what it's worth. But this document, you will recall, also says under health care: "We will not cut health care spending. As government, we will be aggressive about rooting out waste, abuse, health card fraud and mismanagement and duplication," but there will not be one cent taken out of health care.

Do you think this promise convinced a lot of your members to support the Conservative Party?

Mr Buller: That was probably a factor. I certainly don't think that commitment has been honoured.

Mr Cooke: Oh, I don't either, not when you take $1.3 billion out of the system. We got lectured a lot throughout the election campaign by Mr Harris saying that people were cynical about politics because politicians said one thing during an election and another thing after. I think your brief says very clearly that one of the fundamental things in Canada is our health care system. So when you promise to maintain it, obviously that reassures people and allows them to consider you as a viable party or an option during an election.

There's one thing that I don't think we've talked enough about in this bill. You referred to the block funding to the provinces, and now we're moving to the block funding to the municipalities. Are you concerned that we're not only going to have a checkerboard Canada but that what can happen with this approach in Ontario is that we can have a checkerboard Ontario? Different

municipalities will have different abilities to charge different taxes and raise revenues, and there will be different services all over the province because there will be no equity. Do you see that as a real problem?

Mr Buller: I think that is a problem and I think this points up to what's happened. When similar measures were taken in the States, we found that many communities, many municipalities, declared bankruptcy because they weren't getting adequate funding; the funding had been cut back. I can see the same thing happening here. There are communities such as Meaford, Ontario, which returned a Conservative MPP, where half the population are seniors and the other half are on welfare, pretty well. They're going to be very hard hit by cutbacks to municipalities.

Mr Cooke: It would be pretty hard in a community—

The Chair: Mr Buller and Mr Cooke, I apologize. We've come to the end of the half-hour.

I'd like to thank you for taking the time today to appear before the committee.

Could I please have the members from the Association of Municipalities of Ontario come forward.

Mr Cooke: While the next delegation is coming forward, could I make a request for some information?

The Chair: Surely.

Mr Cooke: Based on the articles in the newspaper today on the court decision with regard to the Ontario public service pension plan, I would like to make a request that the ministry provide us with information as to the impact and the implications of the court decision yesterday on the sections of Bill 26 that deal with the public service pension plan, and perhaps some analysis from our research officer.

The Chair: We'll undertake to do that.

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ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Chair: Welcome, gentlemen, to the standing committee on general government. You have 30 minutes this morning to make your presentation. You can use that time as you see fit. You may choose to leave some time at the end of your presentation for response and questions. I'd appreciate it if you'd read your names into the record for the benefit of the members of the committee and Hansard.

Mr Terry Mundell: I would like to take this opportunity to thank you on behalf of the Association of Municipalities of Ontario for the opportunity to appear before you today to present issues which are critical to municipal governments across Ontario.

My name is Terry Mundell, and I'm a councillor from the county of Wellington and president of AMO. With me today is Michael Power, who is the mayor of the town of Geraldton and the first vice-president of AMO. Our presentation will last probably 15 or 20 minutes and then we will be happy to entertain questions at the end.

We're here today to discuss Bill 26, and I want to focus my comments on schedules M and Q, which will have the most significant impacts on municipalities. It is important, however, that we remember the context in which this legislation was introduced. For municipal governments the context is lost revenue to the tune of $700 million announced in the government's recent fiscal and economic statement.

This substantial loss of revenues did not come as a surprise to municipalities. Although the news of $700 million in reductions over two years was not welcomed, we understand what it means to be responsible fiscal managers and we know that the province is determined to put its own house in order. That's the way municipalities have always managed, without deficits and accountable for how much gets spent and on what.

There is another important consideration of context. Amendments made in Bill 26 need to be durable if we are to look forward to a period of stability in provincial-municipal relations. We need to ensure that the intent of these reforms is very clearly stated for future readers and that the powers set out in Bill 26 are linked to that intent. We believe the intent of the legislation is to enhance the strong and vital role of municipal governments in Ontario.

Municipalities see Bill 26 amendments as a step in the right direction towards a new provincial-municipal relationship in Ontario. Some of what is in Bill 26 is there because we asked for it. AMO certainly has taken the position that municipalities need the tools to manage major funding reductions in a way that minimizes service disruptions and in a way that allows municipal governments to maintain priority services without a major impact on property taxpayers.

There are almost 150 pieces of provincial legislation that have a direct impact on municipal operations. This government has committed to reforming municipal legislation and we are encouraged by that commitment.

In the meantime, the equation is really very simply: Reduced provincial transfers will require reduced services, increased taxes, alternative sources of revenue, or some combination of the three. A reduced provincial share in funding must also mean less say for the province on how programs are managed locally. These factors provide a framework for municipal councils to make informed decisions that reflect local priorities and real, transparent choices for our communities.

No one wants service reductions or increased taxes or user fees, and no one wants to make the kinds of decisions that lead to any of those options. But municipal governments are elected to make those decisions and they are accountable for them.

We have been asking the province for years for the autonomy that goes hand-in-hand with ever-increasing responsibilities. Managing key services in our communities in a way that reflects local priorities, local innovation and local accountability is our business.

As partners in government, municipalities are in the best position to determine the tools we need to manage more effectively and more efficiently. That is why AMO has pressed the province for a number of reforms that will help municipal governments offset lost revenue from the province. A number of measures set out in Bill 26 are critical for municipalities.

Restructuring: Restructuring in the municipal sector will be a major step forward for municipal government in

Ontario. The proposed amendments to the Municipal Act point, as they should, to a locally driven process where municipalities come forward with locally endorsed proposals to streamline the organization and operations of municipal government.

That premise is a sound one and one that rejects the adage that one size fits all. The diversity of communities across Ontario calls for locally driven solutions to structural reform. Municipalities are prepared to provide better, more effective and less costly government.

AMO believes that a locally driven process is what the government has in mind with these amendments, and we suggest that the intention be made clear with an addition to section 25.3 indicating that the minister will establish a commission for the development and implementation of a restructuring proposal only at the request of a municipality.

We recognize that not every municipality is willing to embrace change. Some will require support and encouragement or even mediation in order to reconcile differences of opinion and approach. We can live with ministerial prerogative to intervene, but that too should only occur at the request of those involved locally.

Currently, the amendments suggest that the minister will have the power to impose restructuring on municipal governments. We do not believe that is in anyone's best interest, including the citizens most affected.

We recommend very strongly that the wording of section 25.3 be changed to reflect the government's commitment to locally driven and locally initiated restructuring.

The association has one final request on restructuring. Clause 25.3(7)(f) provides for the costs of a commission to be shared by the municipalities and local bodies under review. This provision should be expanded to cover the costs involved with voluntary restructuring exercises.

It is also notable that the restructuring provisions in Bill 26 pertain to county and district governments only. They do not apply to the GTA or to regional governments. AMO will continue to work with the government to insure that the interests of all municipalities, including regions and the GTA, are paramount as the government proceeds with structural reform initiatives.

Migration of services: The migration of services provisions in Bill 26 will assist municipal governments in developing more efficient and streamlined operation of critical services. It is vitally important that municipalities, not Queen's Park, determine which level of municipal government is most suited to provide a service.

However, translating these provisions into cost savings will take time. The transfer of services are quite typical of the steps we need to get on with managing our business as we see fit. They will help us offset some part of lost provincial revenues. But it will take time and these provisions alone cannot compensate fully for such a substantial loss of revenues.

We would ask for clarification on certain sections of these provisions. For example, we need to clarify exactly what services are transferable and to whom. Subsection 209.4(1) sets out provisions for the assumptions of upper-tier powers. Does it mean, as the wording suggests, that a lower-tier government would have to assume responsibility for particular services across the whole upper-tier catchment? Would a local municipality assuming responsibility for roads from the upper tier be required to maintain roads for all of the local municipalities? We don't think that's the intention.

Section 209.4 should be revised to indicate clearly the requirements governing the transfer of services from one tier to another.

Clauses 1(a) through (h) of section 209.4 also present a problem for us in that they provide unnecessary regulatory authority to the province. In our view, there is no reason for the province to decide which services can and cannot be transferred from one tier to another.

Special purpose bodies: The capacity to dissolve special purpose bodies is a very important part of this bill. Special purpose bodies have the authority to make decisions that have significant impacts on municipal resources. However, they lack the public accountability that must be integral to that authority. It is high time municipalities had the power to dissolve special-purpose bodies in favour of direct accountability for decisions governing public funds and services.

1010

It really is a question of accountability. How tax dollars are spent, by whom and for what, should be clearly and easily understood by residents of Ontario. It is also a question of sound financial management and planning. Municipalities are too often in a position of having the rules changed halfway through the game. A different fiscal year from the province and factors like in-year savings targets make planning on the revenue side difficult enough.

We need to be able to plan for the expenditure side with certainty that comes with real authority over how we spend our own resources. Municipal councils, and not special-purpose bodies, must have the authority and accountability for how our municipal government spends taxpayers' dollars.

At this time, powers of dissolution in Bill 26 do not include police services boards or school boards. AMO has made its position on special-purpose bodies well known to the minister and we are encouraged that the government will be reviewing the role of police services boards in the context of a broader review of the Police Services Act. AMO will continue to press the government for maximum flexibility to manage services funded through the property tax base.

We understand that the government is considering regulations that will protect certain special-purpose bodies. The purpose of this legislation is to provide greater autonomy to municipal governments, not less. Regulations restricting our capacity to manage will counter that intention. The example of library boards is a good one. An exemption of library boards would be totally unacceptable and would seriously undermine the intent of this bill.

AMO urges the committee to consider the potential impact of regulations made under section 210.4 and to recommend that exemptions be granted in exceptional circumstances only, and not categorically for any type of organization.

User fees and licensing: Bill 26 sets out fairly broad provisions for user fees and for licensing. AMO supports these provisions because they provide a potential alterna-

tive revenue source that is based on usage of services and, in some cases, linked to consumer choice. The scope of authority to levy user fees has been the subject of concern in some quarters. We do not share those concerns.

The ability to charge user fees and to collect licensing fees that at least offset the cost of providing the licence is not seen by municipalities as a major potential inflow of revenue. These provisions will help us manage in the face of substantial and dramatic reductions in funding from the province. If we are to continue to meet provincial service priorities and local service priorities, we need to be able to pay our bills.

Municipal governments have a strong vested interest in minimizing user fees to taxpayers, just as we have an interest in keeping a lid on tax increases. Electors will have short tolerance and long memories for municipal governments that use powers irresponsibly.

Ontario municipal support grants: The issue of responsible management leads us to the Ontario Municipal Support Grants Act. Autonomy for expenditure funded under the act is substantial. We believe that is the intent of the legislation. Block funding by definition should come with no strings attached.

Section 3 of the act provides for regulations that can be used to create strings. We recognize that the province has a responsibility to set and monitor provincial standards and to monitor the performance of its transfer payment partners. It is my understanding that the minister intends to set standards based on clearly articulated provincial priorities, and to develop performance indicators in consultation with AMO and other key municipal parties. We believe our input is essential, but we have some concerns over the potential for excessive regulation over the longer term.

As more municipal funding is collapsed into municipal support grants in the future, there may be an inclination to restrict local decisions on how this money is spent. That would contravene the intent of the legislation as we understand it.

We would ask the committee to recommend that the Ontario municipal support grants legislation clearly establish the autonomy of municipalities to manage funding in a manner that is consistent with local needs and priorities, mindful of clearly defined provincial interests.

Conservation authorities: AMO is concerned by proposed amendments to the Conservation Authorities Act that restore greater decision-making authority to municipal councils. We are also in favour of new provisions which limit the levying of costs against municipalities. We would suggest, however, that resolving disputes over charges made by conservation authorities would be greatly simplified if municipalities had the authority to approve the charges levied in the first place. For example, appealing decisions to MNR's mining and land commissioners, decisions that may have a direct impact on property taxes, does not make any sense and is not acceptable to municipalities. We recommend that the appeal mechanism in section 27 be dropped in favour of direct municipal authority over charges made by conservation authorities.

Schedule Q: Schedule Q of Bill 26 sets out amendments to the Fire Departments Arbitration Act, the Police Services Act and the Hospital Labour Disputes Act with respect to arbitration. Most importantly, the amendments require arbitrators to consider a municipality's ability to pay. We have requested an additional amendment that requires consideration of the ability to pay without additional costs to the property taxpayers. AMO has also requested that an amendment respecting wage comparisons be expanded to include comparisons to similar jobs in the private sector, rather than in the broader public sector alone. We have also asked that the employer's ability to attract and retain qualified employees replace the reference to an employer's need for qualified employees.

Interest arbitration issues have been long-standing between the province and municipal governments, and AMO has worked very hard to keep these issues on the provincial-municipal agenda. As employers, municipalities need permanent savings in place to compensate for the more than $390 million cut from municipal transfers as a result of the social contract and the expenditure control plan. We need assurances that compensation issues can be negotiated or at least resolved openly and fairly and with due consideration of the fiscal pressures facing municipal governments. Compensation awards through arbitration that give no consideration to our ability to pay are no longer acceptable.

AMO urges the committee to recommend that the ability-to-pay provisions under schedule Q be revised to indicate that property taxes will not be raised as a result of arbitration awards; that the private sector comparisons are appropriate; that management retains the right to attract and retain qualified employees as it sees fit; that negotiated wage settlements in a municipality provide a ceiling for future awards; and that cabinet retains the right to alter and prescribe criteria for consideration and the issues which may or may not be sent to arbitration.

What's missing from Bill 26? AMO's comments have focused on schedules M and Q. However, we would like to address a number of important issues which we believe are missing from Bill 26. They are important provisions that were requested by AMO but have not been included in this bill. If the intent of this legislation is to assist municipalities to manage with new, smaller allocations, we need to account for the gap between what municipalities need and what we'll be given in this bill.

They include greater control over police budgets and an end to supplementary assessment charges. AMO has also requested that the province extend to municipalities what it has provided to itself for the management of its own operations: the removal of successor rights from legislation governing the contracting-out or divestment of services. The authority of municipalities and other bodies such as school boards to jointly invest resources has also been raised with the minister.

We could go on to discuss other critical issues such as the importance of development charges for growing communities, but instead we will close with an appeal to the committee to consider again the primary reason the Bill 26 amendments are before us today. That reason is to ensure that municipalities, as partners in government, have the tools we need to manage in the face of substantial funding cuts. Bill 26 will not alleviate the impacts of

$700 million in lost revenues, but on balance the amendments are a good starting point and we can put them to work in communities across Ontario. They need to be considered, however, for what they are: a critical and long-term investment in a renewed provincial-municipal relationship in Ontario.

1020

AMO will continue to press the government for other important reforms and we will work together with the government as we forge a vital and renewed role for municipal governments in Ontario.

There is a summary for the committee of the proposed amendments in appendix A which follows this document.

I would like to take the opportunity to thank the committee on behalf of AMO for the opportunity to appear here today and look forward to answering any questions you may have.

The Chair: Thank you very much. We've got three minutes and 20 seconds per caucus. We'll start off with the opposition caucus, Mr Phillips.

Mr Phillips: I just start by saying, I hope AMO appreciates how totally outrageous this process is. We have two minutes and 20 seconds to have a chance to ask you questions on an act that has absolutely fundamental importance to every municipality in this province—two minutes and 20 seconds. This would have been law at 6 o'clock tonight.

The Chair: Three minutes and 20 seconds.

Mr Phillips: Well, three minutes and 20 seconds. My apologies. Sixty more seconds to dialogue with what we regard as an extremely important group in this province, the Association of Municipalities of Ontario.

By your own definition, this act fundamentally changes municipalities, but it is but one of 14 acts. If you look at the people who are presenting to this committee over the day, the prospectors will be in. The seniors will be in. We're dealing with a huge act and in three minutes and 20 seconds they expect us to give you a decent hearing. We find it outrageous, frankly. I don't know whether you find it as outrageous as we do. Your proposal outlines 11 major amendments that you want made to this bill. This bill would have been law at 6 o'clock tonight, and I find it offensive that the government thinks that they can deal with municipalities in a high-handed fashion like this.

Frankly, we should have separated the municipal portion of this bill, AMO should have had decent time to allow us to discuss your proposals with us and we should have had a fair and an equitable hearing. And my apologies to AMO for this tirade because you have nothing to do with it other than being forced to appear here, being given three minutes and 20 seconds to discuss your lives with this committee. I find it outrageous, and to allow AMO, as I say, so little time, frankly I will take the opportunity to discuss this with you in more detail because your amendments are fundamental, but we can't do it justice in three minutes and 20 seconds with 11 major amendments to this bill and put in a context of 14 other huge sections. I think you're being insulted by the government frankly.

The Chair: You have about 45 seconds.

Mr Phillips: Forty-five more seconds.

The Chair: Do you want to comment?

Mr Phillips: I don't know whether you're as embarrassed as you should be, but to treat AMO in this fashion—they've come here with a significant brief and virtually no time to discuss it. As they say, it's fundamental to their future.

I would have thought that we would have had the Municipal Act before us and if we're going to open it up for these major changes, you would have had an opportunity for a reasoned discussion. Frankly, Mr Chairman, I think that what's required is for our caucus to meet with AMO and have an opportunity for them to have a full dialogue with us so we can at least get their concerns a fair hearing.

The Chair: Thank you. Mr Cooke.

Mr Cooke: Mr Chair, I would also like—

Mr Michael Power: May I reply to that, Mr Chairman?

Mr Cooke: Well, not during my time.

Mr Power: All right.

Mr Mundell: We'll feed it into your time.

Mr Cooke: I certainly agree with Mr Phillips's comments and we will need to spend some more time with AMO in our caucus going through some of your brief.

I did find it curious though, Terry, that your initial comments about the bill and your ending comments about the bill are praising the bill and then everything in between is talking about some very significant criticism of the bill. I kind of wonder where AMO's coming from. When you get down to the nitty-gritty and the specifics of the bill you have great concerns. You didn't talk about taxes. I'm sure that there are others who will want to talk to you about taxes and some of your members have come forward and told us what their legal interpretations are of the ability to bring in gas tax, sales tax and income tax because it goes much further than the kinds of user fees that you're referring to in your brief.

But I'd like to just talk for a couple of minutes on the restructuring aspects of the bill because I'm not exactly sure that I understand AMO's position. You're suggesting a couple of amendments to Bill 26 which would, in effect—and I may agree with the amendments you're suggesting—amend the bill back to the way that it is under the current law. Under the current law, if you want to restructure you can do that and it can be driven at the local level. It doesn't have to have a commission set up by the government. In fact, you could set up in a county your own commission to look at restructuring, and there were restructuring studies from one end of this province to the other end of the province, most of which were not implemented even though the restructuring committees came to some of their own local consensus. There was never the ability to drive that restructuring through the system. So I gather from your brief what you're suggesting is that we should amend Bill 26 back to the current process that's in place now.

The other part that I would really like to get your impressions on: You specifically refer to the cost of a commission being borne by the municipalities. Well, that's interesting and that's important, but what about the cost of the transition period when there is restructuring that's taking place at the county level or the local level? There are usually millions of dollars of transition costs in

order to make sure there's not any huge immediate tax impact, and there's nothing in this bill and there's nothing in the government's statement; in fact, any comments in the government's statement would make it very clear that if there are any tax impacts, any transition costs, they are going to be borne at the local level. So if there are no provincial dollars to pay for transition costs and facilitate restructuring, then why would there be any restructuring at the local level? Because the cost to the local taxpayer would be huge.

Mr Mundell: On the first issue, on the restructuring itself, I think the premise that AMO has put forward and has always maintained is that that particular process should in fact be locally initiated and locally driven.

Mr Cooke: That's the way it is now.

Mr Mundell: With local decisions. There are some impediments in the current legislation which make restructuring more difficult, and there are some items in Bill 26 which in fact help to streamline the process. I think those are the things that we see as positive under the restructuring portion.

As far as allocations for cost of transition periods, I would say to you that there are going to be some very difficult decisions across municipal governments in Ontario to determine the types and levels of services and what each municipality is going to need to provide, and transitional issues will become of major importance and they will vary across the province from municipality to municipality or restructuring to restructuring. I think those things will need to be determined on an individual basis.

The Chair: Thank you. We must move now to Mr Hardeman.

Mr Ernie Hardeman (Oxford): Good morning, Mr Mundell. First of all, I'd just inquire for the record, how many municipalities does AMO represent and could we consider this morning's presentation as reflective of the position of those member municipalities?

Mr Mundell: We represent approximately 700 out of Ontario's 815 municipalities, approximately 95% of the province's population.

Mr Hardeman: The other issue about consultation, and in fact in your opinion or in the presentation—is there much in this Bill 26 in the M section in particular that in fact AMO has not over the last number of years, and particularly in the last few months, had considerable consultation about? Are there any major items in that—not necessarily saying that the bill does what AMO put forward, but items that you have not discussed and had consultation on in the past?

Mr Power: Well, that's interesting, Mr Hardeman. It's similar to the question that Mr Phillips asked and it's interesting in the sense that AMO throughout the previous three governments, a Conservative government, a Liberal government, an NDP government, and now another Conservative government—many of the things that are in that bill are things we've discussed with each one of those governments on various occasions; we have brought them forward, we have asked for them. So for us it wasn't a matter that we didn't have time to consult with the individual parties that are represented in the Legislature. We had consulted with them all as governments.

There are things that are happening through this bill that we're very pleased about, and I think we made that very plain here today when the president said that many of the issues in this bill are things that AMO had asked for. So in our view there has been consultation, certainly, with our association by a wide variety, and the support from our members is very strong. That has come up through our municipal association at its annual meeting over the last numbers of years, and that support for these kinds of things is there.

There has been a suggestion perhaps that taxation is an issue here. We put it to you that we don't think it is. Certainly we have no legal opinion that says it is any different than what the minister has said the intent of this bill is.

Mr Cooke: Do you have a legal opinion?

Mr Power: We don't have any legal opinion that says it's any different than what the minister says it is.

The Chair: That about exhausts the time. I'd like to thank you, gentlemen, for appearing today before the committee.

Could we have representatives from the Oakville Chamber of Commerce come forward, please.

Mr Phillips: Mr Chair, I wonder if AMO might provide us with their legal opinion, if they might table that with us?

Mr Power: Mr Chairman, I said we didn't have any legal opinion that contradicted in any way what the minister had said. We don't have a legal opinion. We don't think we need one.

Mr Phillips: Oh, okay. I appreciate that. Thank you.

The Chair: Could I please have any member from the Oakville Chamber of Commerce come forward? Not seeing anyone here right now from the chamber, I'd like to call a five-minute recess and give them some time to be here.

The subcommittee recessed from 1032 to 1039.

OAKVILLE CHAMBER OF COMMERCE

The Chair: That's the end of the recess. Welcome, gentlemen, from the Oakville Chamber of Commerce. You'll have 22 minutes today to make your presentation. You can use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd read your names into Hansard for the benefit of Hansard and the committee members.

Mr Peter Warmels: My name is Peter Warmels. I'm president of the Oakville Chamber of Commerce. I have with me today Mr Don Crossley, who is our executive vice-president, and Mr Andres Paara, who is our vice-president as well.

The Oakville Chamber of Commerce is a business-affiliated firm that represents 1,100 members within the town of Oakville. Eighty per cent of the businesses that we represent have fewer than 20 employees, so it's from that format that I'm speaking today.

The omnibus bill is one that we feel has a number of good points and a number of points that we feel we need some further clarification on and further consultation on. But I think for the benefit of the bill in general, we feel

that it clearly defines the new freedom that the municipalities are being given to generate revenue and to operate autonomously. Empowerment is a method of management not new to the business community, and I think that's what you're giving the municipalities.

The tax burden must be reduced, and all levels of government have a responsiblity to make this happen. Our membership want less government, more cost-effective government and more efficient government. We simply cannot afford to do the things that we used to do some time ago.

Municipalities across Ontario will be released from many of the rules that have constrained their decision-making, thus allowing communities to make choices based on the needs of their community. It will allow municipalities to deliver services efficiently by entering into partnerships with the private sector. It will help get rid of waste and duplication by allowing municipalities to decide which levels of municipal government should deliver the services. These measures will lead to greater accountability at a local level for local taxpayers, will provide funds necessary to be spent, and in the end will provide us with a more self-reliant and cost-effective local government.

It is our understanding that in Bill 26 the Minister of Health has the power to close and merge any community hospital and terminate specific health care services provided by a hospital. In addition, he or his agent may inspect, copy and disclose the medical records of any citizen of Ontario. Is this correct? If so, these changes are very sweeping and certainly should be carefully considered and phased in in perhaps a longer period of time than is being presented in the omnibus bill.

The user fees provision, while certainly having merit, must also be carefully considered. We have read reports in the press about how several mayors in the Toronto area are anxiously awaiting approval of Bill 26 so as to allow them to start slapping user fees on everything from firefighting and police services to libraries and city parks. This could wind up being simply another form of taxation and could cause people to think twice about using a service, based solely on their ability to pay. Will this lead to a two-tiered system of services in all areas—not just health care—for those who can afford and those who cannot? We recognize some abuse in all areas of public service today, but we'd like you to consider the need to provide some further consultation to some of these areas.

I had a chance last night on my way home to talk to some chamber members, and the message rang out very clear to me that some of the moves in Bill 26 are in need of much more consultation.

The proposed shift in drug benefits will shift the balance at the retail level without helping the public sector with a reduction in government cost or service. The deregulation of prices in prescription drugs will result in reduced margins as it becomes used as a loss-leader. This will kill the local pharmacies at the corner that people use on a regular basis to seek out convenience and quick service for their health needs. They've already been hurt by the changes in the sale of cigarettes, and this will only drive another nail in the coffin of their businesses. The concern that we have is, will those businesses be around tomorrow? Do we want drugs to be subsidized by other products? User fees for services such as the $2 hit for seniors will become a retail carrot used to attract seniors by waiving that cost. The total market will cover the cost, to the detriment of their businesses.

Part of the chamber's network is also to provide input to the local school boards. Without going into any detail, the underlying concern from them as well is, are we properly prepared to take the huge step that Bill 26 is taking? As we've pointed out, in some areas yes, but in a number of areas we require more sensitivity. Some would even say that the approach is somewhat draconian. More consultative: Get more effective decisions, only because of the far-reaching implications. It's no different really from what you've done today in providing us with the opportunity to speak to the omnibus bill that we would look to you to provide us with in future in having more consultation.

It's moving too quickly. I think there's certainly a need for it, but there's a lot in the bill that you're presenting on the table today. It would certainly be appropriate to perhaps separate the bill, with some careful consideration to all aspects for the benefit of those who have invested in Ontario today and who are looking to invest in Ontario tomorrow.

The Chair: Thank you. You've left about 14 minutes. We're starting off with the third party. Oh, in their absence, we have to move to the government party.

Mr Terence H. Young (Halton Centre): Thank you very much for an excellent presentation. Thanks for coming out today. With regard to the reference to direct taxes, if the bill were clarified or it had changes to it which made it clear that the municipalities could not levy a poll tax and could not levy a gas tax, would that address those concerns?

Mr Warmels: What we need to consider is that there are certain people who are much more expert at this than some of us sitting here today in particular areas of the bill. I would simply encourage you to look to those experts who know those particular aspects of the business that you're bringing to the table in Bill 26 and seek some direction and some support from them in understanding perhaps a little bit more pointedly what it does and what the implications of it are.

Mr Young: I agree. We have done that and we are doing it and we'll continue to do it.

The gentleman from AMO, Mr Mundell, said, and I'll quote out of their presentation: "Electors will have short tolerance and long memories for municipal governments that use these powers irresponsibly." Hazel McCallion, I'm sure, would agree with that, and so would Don Cousens, from their presentations. What's your comment on that?

Mr Warmels: Certainly I think there are a number of municipalities that are prepared today to go ahead with Bill 26 the way it's been presented. However, I'm somewhat concerned that not all municipalities are prepared to service Bill 26 in the way that it's being tabled today. It would lead to some anarchy, in those municipalities that aren't prepared, in how to deal with them effectively.

Mr Hardeman: Going on with the same issue of the taxation powers, you mentioned the concern about user

fees. Do you envision the municipalities using user fees to increase revenue and increase expenditures beyond what they're presently providing, or as a way to provide their present services? Is your concern that they would use it as a tax grab, as opposed to trying to provide for those core services that are presently being provided?

Mr Warmels: I think the municipalities recognize the need to support the constituents that they are being represented by, and I think, as a consequence, whoever has the opportunity to provide the greatest direction for them will certainly benefit them. I think that if the municipalities are continually going to have support taken away by the provincial government and they are required to meet a balanced budget, they will be forced to do whatever they're required to do. If that means in their eyes that they're going to be forced to put additional taxes on the services they provide, then that's what they'll have to do. I'm certainly not saying today that's the right direction to go, but we agree that a balanced budget is something we all look forward to so that we can minimize the deficit that we carry with us.

Mr Hardeman: I was just wondering whether you feel that local government is, as was mentioned in AMO's presentation, more responsive to the electorate, that in fact their ability to decide between taxation and the service being provided is going to be more responsive to the people than it would be from money being collected by the province and sent to municipalities.

1050

Mr Warmels: We certainly hope it will be.

Mr Crozier: Thank you for your presentation. Could I ask you when you were notified that you would be appearing before the committee?

Mr Warmels: Yesterday morning.

Mr Crozier: You've done remarkably well in the short period of time that you had. I don't want to put any words in your mouth, so I'll ask you a question that you can respond to. From what you've said, would you consider this then to be a very complex, wide-ranging, wide-sweeping bill that is difficult, if in fact you've had the opportunity to go through it clause by clause, to understand and respond to in a short period of time?

Mr Warmels: We've had the bill for a short period of time and had the opportunity to synopsize what's there, but I would agree that it's an extremely complex bill and, while it does provide some benefit and some good things that are going to be necessary in reducing our government spending, there is a lot of detail in there that I believe is being pushed through to satisfy all of the needs that the government is presently doing.

I would caution you that this move may not be in the best long-term interests of the public. That's why I've mentioned many times in my report to you this morning that we would simply recommend some further consultative processes take place with those specific business sectors that are being affected by this, so that those that already have a vested interest in Ontario will continue to do so.

Mr Crozier: Sir, in response to a question the other day—and I'm reading from Hansard—about direct taxes and gasoline taxes, Mayor McCallion said, "I guess even a gasoline tax" could be applied. "I can tell you, when we discussed integrated transit in the greater Toronto area, the only way that we can have integrated transit" is that all municipalities are involved with a gasoline tax. "We would have to ask the government to pass that. Maybe now we might have the opportunity to put it in, yes."

When it comes to direct taxes, fees and charges that are in the nature of a direct tax for the purpose of raising revenue, I wonder if you're aware that the councils do not have to get the approval of the electorate, they only have to pass a bylaw, and that the decision to apply these taxes is not appealable to the Ontario Municipal Board. Were you aware of that?

Mr Warmels: As I said earlier, I'm not aware of the specifics pertinent to every aspect of the bill. We've received a synopsis from one of our chamber members who has gone through the bill with some degree of detail.

To your point, I think it's important that municipalities be provided with a certain degree of flexibility to manage their affairs. However, we continue to have concern over the fact that the municipalities today have much less provincial support and are being pressured to maintain a balanced budget, no different than the federal and the provincial governments are, and that they will need to do whatever they will in order to maintain that balanced budget.

I think certainly they're much closer to the taxpayer, and if there's going to be some public outcry over certain user fees, be they gas taxes or be they whatever, that's something the municipality will have to deal with on a one-to-one basis.

Mr Crozier: Certainly municipalities have had to balance their budgets by law, and I think they've done an outstanding job. I merely wanted to point out that if they do apply these taxes, unlike at the present time, there is really no process by which you, as a business owner or operator or taxpayer and the general public, with this bill, could appeal it.

Now the minister, on the other hand, has almost the absolute authority to imply certain regulations, or restrictions through regulation, and the minister in fact can withdraw funding from a municipality if that municipality doesn't behave fiscally the way the minister thinks it should. We feel that's too much power. It's giving the municipalities the power on the one hand, unappealable by you, but then on the other hand the minister can certainly take that rope and tighten it around the municipality's neck. It's kind of giving and taking away at the same time.

Thank you very much for your presentation.

The Chair: Thank you, Mr Crozier, and thank you, gentlemen, for coming forward today to make your presentation.

The Ontario Restaurant Association has cancelled at 11 o'clock. The clerk is going to look for the 11:30 presenter. If Mr Tabuns is available, we'll see if he can speak now and then we'll add that half-hour to the lunch break. Perhaps we could just hold on for a minute or two here.

Mr Cooke: I'm sure the Ontario Restaurant Association isn't here because they've come to the conclusion they couldn't possibly support this legislation.

Mr Crozier: Paul Oliver was here yesterday. He was here a good part of yesterday. That's unusual for him.

The Chair: We'll recess until 11:30 then, when Mr Tabuns is scheduled.

The subcommittee recessed from 1057 to 1127.

PETER TABUNS

The Chair: Can I please have Councillor Peter Tabuns come forward. Good morning and welcome to the standing committee on general government. You'll have a half-hour today to do your presentation. You can use that time as you see fit; you may want to leave some time for questions and responses. I'd appreciate if you'd read your name into the record rather than I, so that the members of the committee and Hansard can get it.

Mr Peter Tabuns: I thank you for this opportunity to speak today. I won't need the whole half-hour, although if you have questions, that might fill up the time slot.

As you've said, my name is Peter Tabuns. I'm the city councillor for ward 8 in the city of Toronto. I'd like to thank you for this opportunity to address you on the matter of Bill 26.

As my colleague Councillor Kyle Rae said when he addressed you the other day, my comments are not going to be complete. That in fact is my first point: The scope of this bill is so vast that it's difficult for any one individual to completely grasp its contents, to analyse its impact and to present a comprehensive critique. This problem is compounded by the short time frame which the public and the opposition have to assess it and make comment.

To start with, then, I think the manner in which these broad changes are being introduced is fundamentally flawed. I think that this bill, in its present form, should be withdrawn and broken up into several bills. That would give the public a better chance to address the issues in an informed and precise way.

Secondly, there must be a greater opportunity for people to address the legislators about this bill. I understand there was a vote yesterday to not extend the hearings. I'd ask you to reconsider that. The hearings this week weren't announced in the newspapers, which would have given people a chance to register to speak. Many found out about the hearings too late. I think that it would be worth while for you to schedule another round of hearings on the bill in Toronto in February, to give the public a chance to speak and make you as legislators aware of issues that may not have been on the minds of the drafters of this bill.

I'm very concerned that the process embarked upon with introduction of this bill will bring discredit to this government and to the provincial Legislature. People are aware of the bill; frankly, to my mind, the depth of awareness is quite surprising. They don't know all the details, but they do know that the bill is quite far-reaching and, to the eyes of many in the public, they see this bill as being rammed through. I don't think it does credit to our democracy. It doesn't strengthen the legitimacy of our governments. I think this process, this approach to legislative change should be abandoned.

Earlier this week, in a front-page article, the Globe and Mail headlined, "Ontario Starts Scrutiny of Power Shift." The Globe, not known for its socialist leanings, reported that this bill will concentrate power "as almost never before in the hands of the 18 men and women who sit around the cabinet table." I don't know if cabinet ministers are present, but those who are in cabinet may feel that this is not an unreasonable turn of events. They may feel that power will be used judiciously and in the best interests of the people of the province, but I caution members of the government that no government is in power forever. In fact, these days most governments have difficulty lasting into a second term.

Would members of the government be comfortable with this concentration of power resting in the hands of a cabinet of adversaries? Would the government members feel that such unconstrained concentration of power was good for the society in the hands of a party that they may have a very different perspective from? I don't think most government members would. Certainly those of us not in the provincial government are not happy with such prospects.

In particular the changes to the Municipal Act, for instance, in the view of a number of us at the city of Toronto, virtually make the Minister of Municipal Affairs the de facto mayor of the province. For a government elected on a promise of getting government off the backs of the people, this package is quite contrary to what we see as your stated aims. We see power concentrated in fewer hands than ever before, concentrated in a way that insulates decisions about its use from the Legislature and from the municipal electorates who thought they actually elected local councils that had some real power on a local level.

Previously I noted that this legislation should be abandoned in its current form because of the process being used for its introduction. I believe it should also be abandoned because the centralization of power is counter to the accountability and openness that we expect from our parliamentary governments in this country. As for the substance of the bill, I want to touch on just a few issues.

With regard to section 220.1 of the Municipal Act, it is the opinion of the city solicitor that the ability to charge direct taxes would allow the city to charge income taxes or municipal sales taxes. I believe the city solicitor filed a document with you earlier this week setting out his opinion in that matter.

More importantly, to my mind, it would allow municipalities to charge poll taxes. At a minimum, I would ask that you delete this section and prohibit the levying of a poll tax explicitly. Such a tax is extremely regressive and, as Margaret Thatcher found out, likely to lead to social upheaval. The minister has made it very clear that he contemplates no use of the legislation to impose poll taxes, and therefore I would see no problem for this government in changing the legislation, making it explicit that a poll tax is a prohibited change or decision on the part of municipalities.

My understanding is that the whole section is supposed to allow municipalities to charge user fees as a way of making up for provincial cuts to municipal transfer payments. I don't think it can be any plainer that this is a mechanism for a simple download to municipalities, a way of transferring responsibility for unpleasant decisions about cuts to lower levels of government. It's a download

that will mean the imperfect financing of government operations by income tax will become an even more imperfect method of charging poor and working people for services. It's a shift of payment burden from the wealthy to the rest of the population, and I think that's fundamentally wrong.

Section 67 of the proposed legislation, adding clause 116(1)(b) to the Public Transportation and Highway Improvement Act, should be amended to disallow privatization of public transit. Public transit is fundamentally necessary to the healthy functioning of modern cities. Decisions about routes, service levels and fares should be made by the democratically elected representatives of the people. Private sector operators must, of necessity, base all decisions on the bottom line. I think that's entirely reasonable on their part, but then why would these operators be concerned about unprofitable lines serving low-income neighbourhoods? Where would be the assurance that service levels would reflect the needs of the population rather than the profit calculations of the private operator? Do we want cities where whole areas could be written off by transit operators? I think, frankly, that would be disastrous, and this bill should make it clear that it won't be allowed to happen.

In a similar vein, section 33 of schedule M, which expedites the privatization of municipal utilities, should be stricken from the bill. Once privatized, it would be virtually impossible for the public to reclaim these utilities. At a minimum, the public must retain the right to speak on these matters through a referendum.

I haven't touched on all the elements that concern me in this bill, nor has the city council to which I belong. As chair of the board of health for the city of Toronto, I have grave concerns about the changes to the drug benefit plans and I echo the sentiments of my council in asking that you abandon changes that are proposed. I know this particular committee is not dealing with the health sections of the legislation.

This government is putting forward an agenda I disagree with, and that's its right, but I don't believe that it should be putting it forward in a bill that I think makes a mockery of public consultation. I have surprised myself—my comments were even shorter than I thought.

The Chair: Thank you. We've got about seven minutes per caucus. We'll start off with the government caucus.

Mr Hardeman: First of all, I think you mentioned the issue of the opinion of the city solicitor recognizing that you could charge income tax and poll tax?

Mr Tabuns: Yes.

Mr Hardeman: And sales tax?

Mr Tabuns: Yes.

Mr Hardeman: I understood that in fact he was not indicating that sales tax could be charged, or gasoline tax. Could you clarify that for me? Did he indicate that you could charge sales tax and gasoline taxes?

Mr Tabuns: If you'll wait one second, I'm digging out his section on that.

Mr Hardeman: It's not critical; we can find that later. I believe it was mentioned previously in our hearings that the legal opinion from the city solicitor indicating that would be provided.

Mr Tabuns: In fact, I did find the section. It's the document that was submitted, I believe, on Tuesday, the city of Toronto submission to the standing committee, tab 4, page 4. The solicitor notes: "The proposed legislation specifically states that such fees and charges 'are in the nature of a direct tax for the purpose of raising revenue.' This provision significantly broadens the city's ability to charge user fees and no longer ties such fees to recovering the cost of providing services. A 'direct tax' could include a flat-rate head or poll tax or an income tax, or possibly even a municipal sales tax."

Mr Hardeman: It doesn't mention the gasoline tax. I think there's been considerable discussion about that.

Mr Tabuns: No, he doesn't. That's correct, and I don't believe I mentioned that one.

Mr Hardeman: Another point, if I could: You mention the issue of public transit and the ability to regulate. Do you see the inability of municipalities to regulate public transit in a contract to provide a certain level of service, a certain type of service from a private contractor? Is that not a possibility? Do you see anything in the act that would prevent that from happening?

Mr Tabuns: First of all, I haven't read that section in detail. I'm relying on the précised notes that were provided by our solicitor, so I can't say whether it's prohibited or allowed, what the status of the act is.

My experience in government is that people who have contracts with those governments can have significant political power and can apply pressure to elected representatives to vary contracts in ways that are quite legal but are certainly beneficial to those who hold the contract. Although at one point in the life of a contract you may have full protection for a city, I can't see why one should rule out the possibility that at a later point an operator would say: "Look, I'm losing money on these lines. Either you cough up or I'm going to cut them off." In an environment of a cash-strapped municipality, you may in fact find that the municipality won't pay, that it will allow an operator to cut a line.

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Mr Hardeman: If I could, one further on the user fees and on the taxation: If the bill included an amendment to strictly prohibit the type of taxes you refer to, the poll taxes and the income tax, would you be supportive of the municipalities' ability to charge user fees as they see appropriate for the service that they're providing?

Mr Tabuns: I actually have difficulty with most of the user fees. I think there are different philosophies around taxation and that in general those with lower incomes should not be paying as much as those with higher incomes, and the user fee is a pretty blunt instrument. When someone comes in to use a swimming pool, one doesn't ask what their income is; one just charges them a flat rate.

It makes more sense to me to raise revenues for governments through income taxes predominantly, and to provide services to people as necessary without adding on that service charge. I think the service charge moves the revenue collection down the population to people of lower income. I think it's a regressive tax, and that's the problem I would have with it.

Mr Hardeman: So your suggestion would be that municipalities should be raising property taxes as opposed to user fees?

Mr Tabuns: Actually, that has been my position at city council and those are motions that I've put forward.

Mr Sampson: Councillor, you have considerable experience in local politics. I'm wondering whether you can tell the committee, in your view, whether it's the local level of politics that's better in touch, if I could use that phrase, with the needs and requirements of the community as opposed to perhaps any more—and I'll use the word, and don't take it the wrong way—senior or farther-away-type level of government.

Mr Tabuns: I haven't sat at any other level of government and I think it might be presumptuous of me to say that I have a better view of what's going on than people at the provincial or federal level. It may depend, government by government and representative by representative. I'm sorry, I don't think there's an absolute answer to that question.

Mr Sampson: So you're not able to tell me whether or not it's better for the local government to be delivering services as opposed to a provincial-type government. Do you have any views on that?

Mr Tabuns: I think it depends on the service. There are some services that are more sensibly delivered on a province-wide basis and some that are more sensibly delivered on a local basis. I don't think there's a one-size-fits-all approach to which level of government is best for delivering particular kinds of services.

The Chair: Let's move now to the opposition side.

Mr Phillips: I appreciate your brief as well. I just wanted to talk a little bit about the tax area because that's been an area of some considerable interest.

The minister, Mr Leach, has said he is absolutely convinced that the way the bill is written right now prohibits sales tax or income tax. In fact, he's so convinced that if he's wrong, he wants to quit. He sort of said, "Listen, I'll be embarrassed enough that if I'm wrong, I'm going to quit," which is quite a strong statement. I was surprised he said that, but that's his decision. Therefore I assume it is the government's intent that the bill prohibit municipalities from introducing a sales tax or a gas tax.

We've now had I guess three legal opinions on this. The city of Mississauga and the city of Toronto have both told us that their legal interpretation is that it "permits" a sales tax, but the minister has said, "No, it prohibits a sales tax." In fact he feels, as he says, so strongly about it that if he's wrong, he's going to resign.

Did your solicitor review this thoroughly, and have they given you a written opinion that would suggest this does permit the introduction of a head tax or a sales tax?

Mr Tabuns: That's the document that was submitted by Councillor Kyle Rae when was here on Tuesday morning. If you pick up the document, on tab 4, page 4 the solicitor says, "A 'direct tax'"—which is referred to in the legislation—"could include a flat-rate head or poll tax or an income tax, or possibly even a municipal sales tax." I would say that the city of Toronto solicitor is widely respected for his thorough approach to the law.

Mr Phillips: I appreciate that. It does put this in a fairly difficult position, because if that's the case and the government doesn't want to allow that, it has to bring forward amendments to prohibit it. The problem is, if you bring forward amendments to prohibit it, Mr Leach, I gather, is going to be sufficiently embarrassed that he wants to step aside.

My second question is around the issue of fees. Minister Leach was here the other day on the fees, and I think it gives us a little bit of an insight into how the government views municipal fees. Frankly, I'm quite disturbed by it, because the minister said he was very encouraged to hear that one local mayor is going to seek out corporate donors to sponsor such activities as library use for underprivileged children.

What concerns me is that if the minister believes this is the direction we should be heading in, that if you don't have money, corporate sponsors have to sponsor you to use a library—it's not the Ontario that I personally think is the Ontario of the future. I wonder if city council has had any opportunity to review that direction and any comments on these kinds of user fees.

Mr Tabuns: I'll be honest and say that our council will probably split on this issue. There are different perspectives as to what would be reasonable and unreasonable around fees. My sense is that in some areas, particularly in the use of parks and recreation facilities, there's no way that Toronto city council would support user fees.

Mr Phillips: I used the word "library" because that's—

Mr Tabuns: I think similarly we would oppose charges for use of libraries.

Mr Phillips, different people have different perspectives on user fees. There are instances in which it may make sense, in terms of municipal direction, to charge particular user fees. We charge rates for people to park at parking meters, for instance. It makes sense for us to levy that kind of charge, but it does not make sense, in terms of our culture, our city and our economy, to charge for use of libraries when it's crucial, in this world economy, to have a literate population.

Mr Phillips: There's a section of the bill that I'm not even sure you've had a chance to look at—I'm switching subjects now—that if a local municipality—on page 136, if you have the bill.

Mr Tabuns: No, I don't.

Mr Phillips: Okay. If you don't, I'll give you the highlight of it. It's the section where if a council votes in a way—a municipality is going to be amalgamated; the other municipalities around decide they want to amalgamate. Even though the council may be 100% against it, the people may be 100% against it, there's a mechanism—not in Metro Toronto but in other jurisdictions—where that can happen.

Then, if the council votes, for example, to increase the salaries of the fire department and the municipality that takes it over doesn't like that, the councillors can be held personally liable for adverse financial effects which may be recovered by an action by the successor municipality. In other words, the councillors could be held personally liable if they take, for example, the salaries of their staff up.

Has the city of Toronto had an opportunity to review that section of the bill?

Mr Tabuns: No. That's extraordinary. I think where councillors break the law they should be held personally liable for their actions, but to lawfully make a decision about salaries of employees of a corporation and then later to be held personally responsible for those costs, I find that astonishing.

Mr Phillips: It's a section that I would hope some of the municipalities may look at and give us advice on. I found it personally chilling in that it's the ultimate threat, I think, that we will bankrupt you, and it had to do with municipalities that were going to be annexed. I would appreciate it if the city of Toronto, when you get into more detail on the bill, could give us any advice on that.

Mr Tabuns: If you could extend the hearings we'd be happy to take a second kick at the can.

Mr Phillips: I don't know how you—

The Chair: Thank you, Mr Phillips. Now to Mr Cooke.

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Mr Cooke: Just a couple of questions. You might want to take a look at the presentation that was brought forward by AMO this morning. I assume the city of Toronto is a member of AMO.

Mr Tabuns: We are at the moment.

Mr Cooke: You may want to take a look at their brief. I find it interesting that virtually every councillor who's come forward so far has expressed grave concerns and a need to extend the time and even opposition to the legislation, but AMO, at least in their introduction and their exit from their brief, strongly supported the legislation even though I would say in between they savaged it. You might want to take a look at it and see whether it even comes close to reflecting Toronto or I'd say any other urban municipality in the province.

Do you have a concern—because I can see something happening with the opening up of more user fees and perhaps sales tax and gas tax and income tax and head tax, and then the minister has the ability, under the legislation, to produce a regulation to stop any user fee or new tax that he doesn't like.

A couple of things can happen.

First of all, from an opposition point of view, I can assure you that I know what will happen in the Legislature. Every time a municipality introduces an unpopular user fee at the local level, the first thing that's going to happen in question period is, we will stand up and say, "That's not a good user fee; will the minister intervene?" because ultimately the minister is responsible. He has the power.

But more importantly, if on the one hand the government is saying, "We're trying to empower municipalities," and then on the other hand they reserve the right to be the hero, how do you interpret that in terms of empowering municipalities?

Mr Tabuns: I thought most of you people ran for office to get away from parking and traffic issues.

I think the Minister of Municipal Affairs, as I've said in my briefing, is going to become the de facto mayor for most of Ontario's cities and towns and that you will be clogged up with a lot of fights over precisely the issues you've outlined. I don't think it makes sense for you as legislators to be dealing with that stuff. It is very problematic in terms of local accountability for financial decisions, and precisely the points you've outlined are things that I think should be turned away in this legislation. We shouldn't have interference at that level.

Mr Cooke: One of the other areas that I have great concerns about, that I don't think in the time we've been given we can possibly properly explore, is when you move to block grants. You know as well as I do that there's a variety of wealth across the province, in terms of municipal wealth, commercial, industrial and residential assessments. You transfer these block grants, then you give the ability to have these new taxes or user fees, and again, there will be a huge difference from community to community in how that can be absorbed.

I think of some of the smaller municipalities in eastern Ontario. If those municipalities were to impose a user fee on libraries—the difficulties and lack of resources that families have in those communities, the high unemployment rates that are consistent, basically you might as well shut the library down, because families simply wouldn't be able to access libraries—we're going to begin to see over a period of time in Ontario a real checkerboard of services and access to services, because there won't be the ability to have any consistent services across the province.

Mr Tabuns: You'll see that, I think, and you'll also see, where cities are contiguous, that citizens will be going from one city to get services in the other city, which you see within Metro now. The analogy or the scenario you put forward of cities in eastern Ontario, where people wouldn't be able to go to the libraries because of user fees, would apply equally well in Toronto. There are big chunks in my ward where a lot of people would not be able to go to the library, period, if there were any charges.

Mr Cooke: Those of us who don't represent a riding in Toronto tend to think of Toronto as the big office towers downtown and the huge amount of commercial and industrial wealth that is Toronto. If there were a whole host of new user fees put in place, what impact would that have on constituents in your east Toronto ward?

Mr Tabuns: I would say it would mean a sharp cut of services to those people. In my ward I have a large percentage of people on very low incomes, both working people and people on social service allowance, and they would not be able to go to the pools; they wouldn't be able to go to the recreation centres; they wouldn't be able to use the libraries. Even now a lot of those people are extraordinarily stretched just paying rent and food, period, so I think they'd have tremendous difficulty.

If you look at Toronto, south of Bloor and then parts of the northwest end, you'd see very sharp problems for the population; north Toronto not as much of a problem—different demographics.

Mr Young: On a point of order, Mr Chair: I'm just curious. We had a presentation from Councillor Kyle Rae, so are you here, councillor, representing the board of health or just as an individual?

Mr Tabuns: I'm speaking as an individual.

Mr Young: Thank you.

The Chair: It's not an appropriate point of order.

Thank you very much for appearing today before the committee.

Mr Tabuns: Thank you for the opportunity.

The Chair: Just before we break, our esteemed clerk would like to have a quick word with us.

Clerk Pro Tem (Ms Deborah Deller): Just one housekeeping matter: Earlier today I handed out tomorrow's agenda for you. I now have a more recent update, and just to avoid confusion, I've put an asterisk in the upper left corner with the date and time, and as the updates come in through the day I'll revise that.

The Chair: Thank you. We'll recess until 1 pm.

The subcommittee recessed from 1157 to 1300.

BRAMPTON BOARD OF TRADE

The Chair: Could I have members from the Brampton Board of Trade come forward. Good afternoon, sir, and welcome. You'll have half an hour to make a presentation, which you can use as you see fit. You may decide to leave some time at the end of your presentation for questions and responses. I'd appreciate it if you'd read your name into the record for the benefit of Hansard and committee members.

Mr Bob Malcolmson: My name is Bob Malcolmson and I'm the policy analyst for the Brampton Board of Trade. Good afternoon, ladies and gentlemen. I'm here today representing the more than 1,000 members of the Brampton Board of Trade, which employ some 60,000 people in Brampton and the region of Peel.

The purpose of the Brampton Board of Trade is to represent and actively promote the interests and profitability of Brampton businesses and its members. Three of the board's major goals are to build and maintain support for control of taxation and expenditures affecting the tax community of Brampton; to promote the most efficient methods, including privatization, of delivering government services; and to create an economic environment which is positive and attractive to new and existing businesses.

Today we are here to share with you our thoughts on two areas of Bill 26, education and municipal restructuring, and lend support where appropriate. We feel the government is on the right track to get Ontario's fiscal house in order.

In February 1994 the Brampton Board of Trade adopted an overall position that any additional government spending, at any level, on programs must be funded from current budgets by a reallocation of funds from existing programs; and further, the Brampton Board of Trade would oppose additional government spending through increases in taxes at any level.

In our letters to not only the province of Ontario but the Prime Minister of Canada, the Peel Board of Education, the city of Brampton and the region of Peel, we went on to state, "Governments at all levels must bring their financial house in order and adopt a philosophy of spending fewer dollars than they bring in and that it is essential to look at tax reduction and reallocation of funds from existing programs to reduce the tax burden and/or fund new ventures."

The Brampton Board of Trade maintains the position that governments, municipally, regionally and provincially, must be committed to downsizing of government, to cost reduction as government policy, accountability to the taxpayers, less government and the elimination of government duplication.

This whole restructuring bill is about taxes and the cost of government to individuals and businesses. Bill 26 is about, as fearmongers would say, the onslaught of poll taxes and user fees. Actually, it is about accountability. The fact is that municipalities must overhaul how they do business. Municipalities must focus on essential core services and deliver them more efficiently, at less cost and with less administration.

Our message today from the business community remains unchanged from two years ago: no more taxes.

For the restructuring to work, municipal governments must be reorganized. We need smaller, less costly local government, less duplication, real cost savings and audited benchmarking to show the results. Business feels that all possible government services must be open to private sector tenders.

The Ontario government must realize that the solution to the tax crisis is not to redistribute the tax hit. Local municipalities must realize that the solution lies in savings in government spending at all levels, not the introduction at the local level of poll taxes and user fees. I guess what I'm trying to say is that the one taxpayer who pays all the bills has hit the tax wall.

We know the provincial government is listening to the taxpayers. Now we must get the message to the local level that they must get their spending under control. Tax hikes are unacceptable and out of the question. As an aside, we are very comfortable working with the city of Brampton and have a very good relationship with it.

Municipal governments' red tape and regulations are killing small business, stifling the growth of business in Ontario and burying the average taxpayer. We are pleased to see that the new provincial government understands that business needs less red tape and regulations. It is time that municipalities, regions and boards of education redesign their bureaucracy keeping this in mind and become more accountable to the taxpayers.

For example, to fit business needs in the 1990s and to create employment, land use is extremely important. When proposing development of lands, business needs to be able to do one-stop shopping, not go to the municipality for approvals and then to the region with the same plans looking for basically the same approvals. It would be ideal to have to deal with only one level of bureaucracy and to gain a decision from that.

As an example, for a small business to get approvals to develop and open a business in one Ontario community, the business must deal with no less than three levels of government, five special bodies, 15 different departments and two planning departments. After getting all these departments, agencies and levels of government to agree, and prior to opening their doors for business, they would be required to pay regional development charges, municipal development charges, land use permits, property tax, business tax, land transfer tax and, possibly in the future, education development charges.

Once they're open, if they get that far, the business must now deal with myriad provincial and federal tax regulations. The business community firmly believes there are too many regulations, government red tape and bureaucracy, and currently too few, if any, decision-makers at the local level.

The section in the bill dealing with the amalgamation of municipalities or the possibility of some municipalities disappearing may not be harmful. Initially, business is attracted to settle in a certain area for economic reasons, infrastructure and services, closeness to market, abundant labour force and efficient transportation routes. For the most part, municipal and regional boundaries are transparent to the average individual, especially if you're travelling across the GTA on Highway 401. Business only considers boundaries when determining which government controls their taxation, regulations and services, and not in the normal day-to-day operation of the business.

As we stated, business is concerned about the availability of a good labour force, effective and efficient transportation routes and infrastructure services, which allows them to work on a just-in-time basis, ensuring that they will remain competitive in a global economy. Business is looking for efficient and responsive local government and ideally wants to deal with one location for all government services: one-stop shopping.

The Brampton Board of Trade feels that Bill 26 will allow for more flexibility at the municipal level to deal with government efficiencies or inefficiencies of services which affect the community. Bill 26 must contain the flexibility to allow for private sector delivery of service, a clear delineation of program responsibilities and allow for the elimination of government duplication and redundancy. However, in order for this to work, the municipalities must be committed to downsizing, cost reduction and accountability.

We caution local governments facing provincial cuts that taking the easy way out—introducing user fees without first dealing with inefficient bureaucracies—is not the answer.

Business is not opposed to paying its fair share of property and business taxes. As the Fair Tax Commission has stated and the various reports indicate, governments must find a way to deal with taxes. In this age of the global economy, the technology of the information highway and the just-in-time business philosophy, it is not as important for business to be located in major centres. Business believes the constant tax increases must stop.

A commonsense approach to transportation, regional borders, planning, land use, water, sewage, waste removal, interest groups and policing must be found. Each municipal and regional master plan should be blended with the plans for transportation and infrastructure within the province. It currently appears that each municipality acts independently. Transit over the years in the GTA has been designed region by region and has had little respect for cross-boundary transit and arterial roads. This weakness must be addressed.

We feel Bill 26 allows for the flexibility to address the issue of being overgoverned and should allow the municipalities to disentangle regional and municipal planning departments, official plans and how governments affect economic development and economic redevelopment. Possibly the structure of the boards of education could be included, allowing education to be more cost-effective.

Disentanglement of governments, including the purpose of such bureaucracies like the conservation authorities, must also be addressed. To be effective, overlapping services in the current regional-municipal structure such as roads and maintenance, services of police, fire and ambulance, hydro, along with water and sewers and waste management and recycling, should be reviewed to see if it is feasible to privatize these services or turn them over to commissions similar to the operation of the police commissions or hydro commissions.

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The Brampton Board of Trade feels there should be a provincial restructuring of service responsibilities. The province should be primarily responsible for regional plans, transportation, social welfare, health and hospitals, natural resources and economic development. It should seriously look at the elimination of conservation authorities, rolling the responsibility back to the Ministry of Natural Resources and the local community governments.

The current regional structure for policing, waste management, recycling, social services, education and hydro electricity could remain intact, with the idea of turning these areas into commissions similar to the makeup of the police commission, with direct responsibility and accountability to the locally elected government officials appointed to the commissions. These types of services could cross municipal and regional boundaries.

The municipal government would take direct responsibility for all roads, road maintenance, water and sewers, planning, economic development, parks and recreation, cultural, fire and ambulance, public works, property taxation and assessment within the boundaries of their communities.

Although the restructuring of boards of education is not covered in the bill, we feel that if it addressees amalgamation of municipalities, it must also address education. In many Ontario communities the cost of education is 60% of the local property tax base.

While reviewing and determining the future of municipalities and regions, the cost of, as well as the structure of, school boards must be addressed. We feel rigid spending restrictions should be placed on boards of education and more effective use of capital funds through cooperation between boards of education with private sector deliverers or through public-private sector partnerships and joint purchases of services. The board of trade supports amalgamation of school boards. All this would lend to greater accountability to the taxpayer.

It makes no sense in this day and age, when building schools in a municipality, to have a developer set aside a plot of land in a new development for both a separate and a public school on the same piece of land and then have the boards of education insist on placing the two schools at either end of the property with separate parking lots, power plants, playgrounds, and possibly separate student computer centres and separate busing for each school. It would be more cost-effective to put the school in the middle and combine the resources.

On February 15 this past year, our board of trade gave a clear message on behalf or the business community to the Peel Board of Education: No more taxes. Our board asked the Peel Board of Education trustees to cut expenditures by 25% over their term of office, yet the Peel Board of Education raised taxes by an average of $90 per household—forever.

We asked the Peel Board of Education to further commit to a more cost-effective system and have the will to create it, to commit to cutting programs to fit the budget and more fully utilize its assets and not rely on tax increases, and to consider combining school boards to relieve the pressure on the demand for new schools. The latter would allow for the sharing of schools, reduce trustees, decrease the bureaucracy and save tax dollars.

Our message today from the business community remains unchanged. It is necessary for all school boards to look to tax reduction and reallocation of funds from existing programs to reduce the tax burden on individuals as well as business. The education system must get expenditures under control.

Taxpayers are demanding more value for their money and an excellent education for their children at an affordable price. The money must be spent in the classrooms for quality education so the students and business can compete in the world marketplace. The business community recognizes that education benefits all of us, and in that regard, all of us should pay our fair share of taxes.

Business also understands that in this economy we have to restructure and implement cost-saving measures to provide the necessary services at the lowest possible cost and in the most cost-effective manner to the taxpayers.

Last summer, the Harris government was voted into office based on a common theme: accountability to the taxpayers. It is now time to stay the course and be accountable.

The government, with bills such as Bill 26, is showing it is prepared to make the tough decisions now and bring in responsible changes and spending cuts. It is no longer a case of what we would like to have, but more one of what we can afford.

Overspending and expecting to remain competitive is ludicrous. We must all get down to basics with a line-by-line review of each department and each expense in government.

Our tax burden in Canada is higher than any of our major trading partners. That's driving companies, and jobs, out of Canada. We must cut costs and change the way government does business.

I would like to thank the committee on behalf of the Brampton Board of Trade for the opportunity to appear here today, and I would be most happy to answer any questions you may have.

The Chair: Thank you, Mr Malcolmson. We have five minutes for each caucus, starting with the opposition caucus.

Mr Phillips: Thank you very much for the brief. I'm sure you share our concern about the complexity of the document. You mention the need for an integrated public transit system, that it's "been designed region by region and has had little respect for cross-boundary transit and arterial roads."

Mayor McCallion, from a neighbouring municipality to yours, was in the other day saying that the municipalities in the greater Toronto area, and I assume that included Brampton, had been looking at an integrated transit system. What she said was, "The only way we can have integrated transit in the greater Toronto area—and we discussed it, all the municipalities involved" was by imposing a gasoline tax. She said, "We would have asked the government to pass that, but now"—she's talking about the bill—"we might have the opportunity to put it in."

Mayor McCallion is saying she's very pleased with this bill because, among other things, it does give the right for municipalities to impose a gas tax. I gather that's the route the municipalities in the greater Toronto area have determined they would pursue for an integrated transit system. Does the Brampton Board of Trade support that part of the bill?

Mr Malcolmson: Let me clarify what I meant by "cross-border boundary transit and arterial roads." Yes, there is the busing routes to consider, but what you have to reflect upon is the actual mass transit. You get on the highways and they're clogged up, which is giving problems.

When you look at the road structures region to region, if you take Halton region to Peel region and go right through to Etobicoke and so on, you can go from myriad two-lane to four-lane to six-lane to two-lane to five-lane highways. Nobody thought. Once they got to their boundary, "It stops here and somebody else can worry about the other end." In that regard, I'm talking about the transit in respect to vehicles, as well as buses.

I know there is a lot of discussion about interboundary busing and that sort of thing, and I'm not fully aware of it. As for supporting Mayor Hazel on her gasoline tax, any municipal government that would try to impose any kind of user fee or poll tax without looking at cost first would be absolutely ludicrous, because voters—

Mr Phillips: Do you think the bill should specifically exclude the opportunity for municipalities to impose a gas tax or a head tax or a local sales tax?

Mr Malcolmson: As I said, if a municipal government does not say, "Here's what we're going to do," if they try to impose extra taxes without trying to restructure, they'll only be able to do it once and then they will not be there the next time around. I don't think any municipal government in Ontario at this point in time is going to start saying, "Our easy answer is a poll tax."

Mr Phillips: You don't mind it being permitted in there, it's just that you don't think anybody will impose a gas tax.

Mr Malcolmson: They can have the opportunity, but they have to act responsibly and be accountable to their taxpayers. If it works in that community, fine and good, and if it doesn't work, they'll find out real quick.

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Mr Crozier: Mr Malcolmson, if I kind of slip and call you Bob, it's because we're fellow life members of the Kinsmen Club, and I've enjoyed the experiences we've had in common.

Mr Malcolmson: That's quite all right.

Mr Crozier: I want to go to accountability and just get your opinion on something in the bill, when we read

that "fees and charges that are in the nature of a direct tax for the purpose of raising revenue" is allowed.

Would you comment on the fact that if a municipality chooses to do that, there is no appeal to the OMB and they can put that in by bylaw, and they can also by bylaw absent the electors from approving this bylaw. In other words, there is no way to appeal this.

Mr Malcolmson: Could you cite me an example of a fee they'd put in?

Mr Crozier: If they put in a gasoline tax.

The Chair: I'd appreciate if you could go further on that conversation, but we're starting to get into Mr Cooke's time and I wouldn't want that to happen.

Mr Malcolmson: Sorry I couldn't answer it.

Mr Cooke: Well, I might give you a chance.

Thanks very much for your presentation. I agree with some of the comments you've made on the need to rationalize and restructure our school board system, which is something I was involved with. I can certainly tell you that when you say that, every school board in the province's response is: "Yes, the rest of the school boards should be restructured. We're already doing things cooperatively with everybody else and we're doing it more efficiently than anybody in the entire world." It's going to have to be driven at the provincial level, because it will never happen at the local level.

There are some examples in the province of schools that have been built, the Catholic system and the public system, in joint facilities, and not only are they less expensive but they provide a far superior education for kids because you can have broader facilities when you're saving money and reinvesting it. Hopefully, that will happen at some point. It's not contained in this bill.

I'd like to get a better understanding, because I think you are fairly supportive of this piece of legislation. If I can summarize what I think you're saying, it's that because part of the bill provides for more flexibility for local governments, it's therefore supportable. I'm not quite sure I understand where the additional flexibility is, other than in the area to tax.

I assume you mean every other municipality than Brampton, because you seemed to indicate with one comment that Brampton was pretty well run and that you had no quarrels with that local government. But when I look at others—Hamilton is one that comes to mind—they actually share staff between the regional government and the lower-tier Hamilton government. So it can be done under the current circumstances without a change in legislation.

The difficulty has been, how do you get folks to do it? Everybody claims they're already doing it very efficiently. I guess I'd like to get a better understanding from you of what this bill does to encourage more rationalization and restructuring at the local level.

Mr Malcolmson: To start with, if nothing else, it certainly has brought this whole issue to light about amalgamation of municipalities and the potential. If you look at the greater Toronto area, there are many municipalities that run effectively and ones that don't. Maybe they will or won't be swallowed up or changed or altered. That's a question they have to be involved with.

Getting into this situation, let's make it down to the issue of one-stop shopping. If nothing else, if the municipality through this bill gets the full responsibility for one-stop shopping, if the businessperson or the person who goes to get a piece of land altered or an addition on the back of his house ends up only dealing with one person at one level of government, I think the bill has done its job.

I live in a small rural community, and if you want to put a back porch on your house the paperwork and bureaucracy you have to go through is horrendous, plus the fact that every agency has to come back with a comment and one agency won't comment until the other agency comments. I've sat on committee of adjustments where you'll get 25 agencies and departments that are supposed to comment, and 15 will come back and say, "If the conservation authority comments, I'll comment, and if the health department comments," that sort of thing. Let's get rid of that.

Mr Cooke: I don't disagree that that would be an important and good goal to achieve. I'm not sure what's in Bill 26 that does that. That's the point I'm making. I think municipalities that want to do that could do that under the current structure, but there's nothing in Bill 26 that's going to see that happen. To me, that's one of the problems.

Let me get back to the tax question for a bit, because I'm not sure I understand. If this legislation gives municipalities the power to do sales tax, income tax, head tax, gasoline tax, we could end up having, in some municipalities, the GST, the PST and the MST, and they could all be on different bases. If there's a problem now between the GST and the PST, just think what there'll be with a third tax.

The Chair: Sorry to interrupt, but we've just gotten to the end of Mr Cooke's time.

Mr Joseph N. Tascona (Simcoe Centre): Mr Malcolmson, I've gone over your presentation and I thank you for it. I note some of the key principles of the reform you're looking at are accountability in local government and keeping the expenditures under control.

One area I want to discuss with you is schedule Q, dealing with the mandatory criterion for interest arbitrators which deals with fire services, police services and hospitals. The purpose of those changes is to control costs. We certainly believe it's in the public interest to control costs. The mandatory criterion in effect deals with the ability to pay. What I'd like to know is, do you think it's in the public interest for arbitrators to be required to consider such factors as ability to pay in order to avoid passing on tax increases, or reduction in service levels where taxes can't be introduced? What are your thoughts?

Mr Malcolmson: On a personal basis, I've had the opportunity of reading the AMO report, and it's recommended one clause that's now missing, that ability to pay without additional costs to property taxpayers should be put into schedule Q. We're down to the realization that the federal government understands there's no more money, the provincial government understands there's no more money, and now we have to get it down to the local level. These people have to understand—not necessarily the elected official, but possibly the bureaucracy that runs the communities—that they can't keep going back and asking for more money. If that means they have to put a

clause in that schedule saying, "You have to consider that there'd be no tax increases on the ability to pay," as a taxpayer and a homeowner, a property taxpayer, I'd say thank you very much, because we can't keep paying money out the door. We don't have it any more. I'm not speaking on behalf of business; I'm speaking on behalf of the individual homeowner, who is taxed to death. They just don't have it.

Mr Tascona: You've read the AMO proposal. They're looking for us to strengthen the mandatory criterion for arbitrators, and I take it you share that view.

Mr Malcolmson: I've read the five recommendations. I think they have a lot of merit and should be considered by this committee, absolutely.

Mr Tascona: Do you believe the government is moving too quickly with our restructuring initiatives?

Mr Malcolmson: Too quickly? In the past five years we've gone through some very tough times. The faster we get the thing restructured and start saving the money and get this province back on track and working, the better.

I've been through the position where I shut down a plant and put 30 people out of work. I've had to rearrange my life because of the economy, and that's what's happened during the recession. I think Ontario has had enough of hard times, and let's get this over and done with. If you go too slowly you're going to have a problem. You have to take a look at it and say, "We're eventually going to get to the point where the benchmark is hit and we have to rethink what we're doing," but until you get to that point in time you don't know you've hit it.

Mr Hardeman: One of the main questions—I think you dealt with it in your presentation—is accountability. Do you see it that as you're getting closer to the people, the local elected officials are inclined to be more accountable for the spending of the tax dollars and then the ability to raise it?

Mr Malcolmson: You'd have to look at the community you're living in and the structure of that local council. If you're talking of a small community that has a part-time council as opposed to a community that has a full-time council—it's not one size fits all. Everything changes. You have to look at each individually, separately, and say, "Can this community structure itself that way?" Many of the small towns may be running by remote control, and maybe it works well that way for the accountability factor, because the local town clerk happens to be the next-door neighbour or the barber's brother or sister. You have to take all that into consideration. In the big metropolitan areas, you'd have to take a different structure to it.

The Chair: Thank you, Mr Malcolmson, for your half-hour today. We appreciate your taking the time to appear before the committee.

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PROSPECTORS AND DEVELOPERS ASSOCIATION OF CANADA

The Chair: Could I please have representatives from the Prospectors and Developers Association of Canada come forward. Good afternoon, gentlemen, and welcome to the standing committee on general government. You'll have half an hour today to make your presentation. You can use that half-hour as you see fit. You may decide to leave some time at the end of your presentation for response and questions. I'd appreciate it if you'd take the time at the beginning of your presentation for the benefit of committee members and Hansard to read your names into the record. Thank you.

Mr R.H. Tays: My name is R.H. Tays, Reg Tays. I'm presenting a brief today on behalf of the Prospectors and Developers Association on schedule O of Bill 26, the amendment to the Mining Act.

The Prospectors and Developers Association of Canada is a national organization representing the Canadian mineral exploration sector. Our 4,000 members include individuals ranging from prospectors to mining company executives, junior exploration companies, consulting and service companies, financial institutions and large, multinational corporations.

Let me just finish one more part and then I'll let Mr Rayner come in here.

As Ontario is Canada's largest mining jurisdiction in terms of number of mining companies and individual residents, the largest proportion of the PDAC's membership also reside in this province.

Mr Wally Rayner: I'm Wally Rayner. I'm a director of the Prospectors and Developers Association, and as Reg's preamble said, we represent the prospectors in the province of Ontario as well as across Canada. I'm also the chairman of the minister's Mining Act advisory committee. It's a committee that was established in 1991 to review the new Mining Act that came into effect on June 3, 1991.

Schedule O came to us as a little bit of a shock. We'd gone through on our Mining Act advisory committee reviewing an omnibus bill that was put in front of our MMAAC committee on October 20. There are 40 items in that bill, some of which are reflected in the current schedule O, but on seeing schedule O, there are obviously a lot more amendments to the Mining Act that we didn't really get a chance to consult on.

Having worked in the mining business for 22 years as an Ontario-based exploration geologist, we in the mining business soon learn that if you have any doubts about the Mining Act or regulations, the first thing you do is consult with the mining recorder to find out what you should be doing.

The current Ontario Mining Act was developed after a huge amount of consultation which started in 1988 and ended with the Mining Act in 1991.

I think, based on what we read in schedule O, we're of the opinion that we'd like more time to review these changes. We realize there's an agenda that we have to move on in the province of Ontario to restructure and create some savings. However, we are quite concerned that some of the things that are in schedule O could be detrimental to our industry.

In general form, I'm not going to go into any details that I have in the presentation word by word, but we're concerned about some of the definitions. A lot of what is interpreted in the act and the regulations hinges on these

definitions, and some of the wording is not too precise. It leaves a lot of room for interpretations.

There are two basic parts of the amendments. There are the amendments to a lot of the act which are housecleaning items. Then we get to what is known as part VII of the act, which is the mine rehabilitation portion. We have some concerns here. However, in general, we're in agreement with the idea of self-regulation. We're in favour of some of the proposals for financial assurance.

I'll leave it at that point and turn it over to Reg.

Mr Tays: Just to give you a little background, Mr Rayner and I are both members of the PDAC mining regulations committee, which also includes other members with extensive knowledge of mining laws and regulations. The committee members have participated in fundamental work on the current Mining Act and on regulations in other provinces and territories.

As Mr Rayner alluded to, we were aware of the original housekeeping items and certain other consultation concerning part VII. However, when we saw schedule O of Bill 26, we found some of the items very disturbing.

First, there are many more items in this schedule O than originally appeared in the October documents. This has expanded to much more than the housekeeping and comprises fundamental changes to the act.

Secondly, the items which we were consulted on and on which we believed we had reached an understanding with ministry officials have received such change and embellishment as to significantly alter their meaning and intent.

Thirdly, many of the suggested amendments appear to either conflict with each other or existing parts of the act.

PDAC's main concern or main interest is in connection with mineral exploration. We wish to emphasize that part VII has a significant impact on exploration, and we believe some of the changes will discourage exploration activities.

We recognize that mining operations are very important to Ontario, and anything that can be done to make it more efficient should be considered. Mineral exploration is the lifeblood of the mining industry in replacing depleted mineral resources, and it's equally important that this sector remain efficient and competitive. For one thing, combining advanced exploration and mining production in the same section poses concerns for mineral exploration projects. Legislation that is needed for mining production is often unnecessarily restrictive to mineral exploration work and can have a detrimental effect.

In order to attract risk capital to fund exploration, there must be certainty of title, access to land, and confidence that undue risk and cost will not impede funding of such needed exploration to search for new mineral resources.

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We would support measures in schedule O that would benefit the operation of mines and the protection of the environment as follows:

(a) The principle of self-assurance to cover financial assurance.

(b) The principle of self-regulation.

(c) Freedom to explore.

(d) Protection of the environment.

(e) The principle of "polluter pays."

However, with regard to items (b), (c) and (e), amendments to the act in schedule O do not promote self-regulation, and freedom to explore is subject to uncertainty relating to the risk of liability for mine hazards. The proposed changes in part VII would appear to promote "user pay" rather than "polluter pay."

We do not believe that the amendments set out in schedule O will achieve the objectives of the government to reduce administration costs by allowing self-regulation, provide confidence to investors and encourage exploration.

It is our opinion that if the act is amended along the lines suggested in schedule O, it will require more ministry staff to administer it and secured lenders will experience an increased level of uncertainty and explorationists will feel very reluctant to work on or near properties that have previous mine workings.

We do not believe that all of the amendments contained in schedule O can be adequately analysed or discussed in the consultation time line set out in Bill 26. As a result, the attached schedules comment on only those items which we feel very much are significant. Schedule A addresses sections of concern, except for part VII. Suggested changes for part VII are listed in schedule B.

Given the short time frame for reviewing this legislation, we have not had appropriate time to circulate these comments to other members of our regulations committee, therefore, our comments should not be considered complete or final. We would like to have an opportunity to participate in a more in-depth review of the act as it is affected by amendments set out in schedule O when that can be arranged.

Thank you very much for allowing us the time to make this presentation.

The Chair: We've got about five minutes per caucus for questions. We'll start off with Mr Cooke.

Mr Cooke: Thank you for your presentation. Again, you have I think reinforced what a lot of people are saying before the committee, that originally the amendments to the Mining Act were sort of presented to us in a way that, "They're not major amendments, they're just part of this omnibus bill and may seem a little bit out of place because we're really talking about government restructuring." But everybody that's come before us has told us that this is a bill in itself, that this is a bill that deserves and requires independent study.

You probably know that if it wasn't for the fact that we put forward a fairly persuasive argument and some tactics in the Legislature to force public hearings, you wouldn't even be here presenting to us today, let alone requesting to appear before us again when you've had ample time to analyse the bill. The bill would have been law today, or under the original proposal would have been law a week and a half ago.

I guess your presentation, out of all of them so far, distresses me the most, because it might be predictable that the Ontario Mining Association would support the amendments and the environmentalists would express some concerns, but you're neither. You're the prospectors, you're in the industry, you understand it quite well, and you're saying you haven't had time and that you

have some concerns, that there are mixed messages being given in the legislation and it's not going to accomplish what you think the government wants to accomplish with the amendments.

I don't think there's going to be an opportunity for you to come before the committee again, because we're on the road, unless you're going to be meeting us in northern Ontario. I certainly encourage you to send some material to us, but I expect that what you're saying is that the best thing that could be done is for this section to be pulled out of the bill and dealt with separately, as a separate piece of legislation, so that we can get it right, rather than passing something that's going to disadvantage your members in the industry.

I'd just like to get an idea from you about your involvement in developing this. The Ontario Mining Association seemed to indicate that it was fully supportive because everything that is in the legislation is something that it has advocated for and it was involved in the consultation. Environmentalists say they were not involved in the consultation. I understand from your presentation that there was a process, but at what point were you consulted about specifically what was going to be put in this legislation?

Mr Tays: I think it's appropriate that Wally answer that, but I would like to emphasize that the Prospectors and Developers Association would like to see this move on quickly, though. We don't want a long delay in new legislation.

Mr Cooke: But you don't want—

Mr Tays: But we don't want it here.

Mr Cooke: Yes, okay.

Mr Rayner: It has been a long process. In the past, I worked on the Mining Act advisory committee for many years, and just recently, this year, I was the chair of this committee. It took us three years to produce some amendments to the staking and the assessment work regulations. This isn't dealing with the act; these are regulations that we worked on.

We had seen the 40 omnibus bill items, which were housecleaning items. Of the 40, there were maybe three that we were a little concerned about, but not really that concerned. So we thought: "Well, this is fine, this can go ahead. We give our blessings to those, with some cautions, on these three items."

Of the amendments that came out in schedule O, one item was the prospector's liability for abandoned mine hazards, on which we had extensive discussions with the ministry. I think it's section 150 of the amendments. We had spent a lot of time talking about that issue and how we might fix it. That is really as far as it got. There are lots of other amendments that have come in, especially with changing the purpose of the act, adding in the idea of health and safety. Everyone is concerned about health and safety, but we have the Occupational Health and Safety Act that should be dealing with these issues.

The Chair: I have to change to the government caucus now. Mr Sampson.

Mr Sampson: Thank you very much for your presentation, inclusive of the suggestions you have for the revisions to the proposal in front of you. You made a comment that I found intriguing. You mentioned that you are in favour of self-regulation. Can you tell the committee what the impact would be of increased self-regulation with respect to mine activity? Perhaps you can also comment on the impact, as we've heard from other groups, on environmental factors, environmental issues?

Mr Tays: When we say "self-regulation," we don't mean no regulation. We mean regulations set out that we can follow so that it doesn't require a lot of our time and the ministry's time in explaining how we must do something.

Advanced exploration probably is the most unclear one. There are many matters that fall into the advanced exploration category that do not require closure plans or anything more than perhaps notifying the director that we're doing that work. If we know what the rules are, there's no reason for the director to have to have anything more. We're not opposed to spot checks or any kind of checks, and it's appropriate that we would make appropriate reports on those things, but there's no reason, though, that we should have to have the director's permission to do that kind of work. That's where we see self-regulation.

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Most companies have environmental policies today which we, in our company anyway, follow rigorously. So anybody doing advanced exploration has to follow their own policy, not just the government's policy.

Mr Sampson: So in many respects the self-regulation internal rules will be even tougher than what we could apply as legislators as far as environmental protection is concerned, in your view?

Mr Tays: Absolutely.

Mr Sampson: With respect to mine activity, is the ability for your industry to self-regulate itself to some degree going to hinder mine activity, increase mine activity?

Mr Tays: I think it should encourage people, if they know what the rules are, to follow them. Yes, it will save us money and it'll make us more efficient.

Mr Sampson: So self-regulation should be a good news story for the industry as far as cutting the red tape is concerned, shouldn't deteriorate the environment, in your view, and should provide some growth and activity in the mining business?

Mr Rayner: It may impose a little cost on the junior sector of our mining business because we're no longer having an approved closure plan for advanced exploration or mining. It's going to be a certified closure plan which will have a professional engineer's seal on it. If you don't have a professional engineer qualified in your group, you may have to go outside and hire someone to do this, whereas previously you could provide your closure plan to the ministry, to the director of mine rehabilitation. They would approve your plan and actually assist you to develop the proper plan.

Mr Sampson: But in the junior developments, you'd probably want that tighter control anyway.

Mr Rayner: Absolutely. Oh, yes. As I say, there will be an added cost to industry, but it'll be a saving for the government.

Mr Tays: But I want to emphasize that self-regulation is not in the amendments as set out. It does not achieve that end.

Mr Sampson: But you've made some suggestions here as to how we might refine the self-regulation as proposed, inclusive of the self-assurance issues.

Mr Tays: Yes, and we have not addressed the actual issue of doing the mining. We've left it up to the mining association of Ontario to address those issues, mine production.

Mr Sampson: Yes, right.

Mr Phillips: I appreciate your presentation. I think you know we share your concern or frustration—we'll call it frustration—about the process in that I think you've indicated that this bill is absolutely fundamental to you and your industry. I'm very disturbed by some of the language you've had to use here, that many of the suggested amendments appear to conflict with each other.

You're very concerned that you haven't had time to review all of the proposed changes. You do not believe the amendments "will achieve the objectives of the government to reduce administrative cost" or "provide confidence to investors." You've indicated that it's going to "require more ministry staff to administer it and secured lenders will experience an increased level of uncertainty and explorationists will feel very reluctant to work on or near properties with previous mine workings." You do not believe that all the amendments contained in the schedule "can be adequately analysed and discussed in the consultation time line set out for Bill 26."

I think you're sending a signal to the Legislature that what we are dealing with here is important material and we're just simply not giving it the time it deserves and we're not giving the industry the time it should have to analyse it and come forward with recommendations. I'd just say what Mr Cooke said, and that is, frankly this would have been law today at 6 o'clock. One floor above us it would have become law today. We've delayed it until January 29, but the government has recently just indicated it is not backing off on that timetable.

We will certainly take into account your concerns. I would urge you to work as hard as you can between now and January 29 to get the government to bring forward the amendments that are required to clean this up.

I guess in the little bit of time we've got here, though, it would be helpful for you just to signal the two or three areas that are of biggest concern to you. I'm frustrated by this because if you look at the agenda of people we have, the next people we'll have on could be from the municipal sector and then there will be somebody from the pension area and then there will be the police in here.

We're dealing with this huge bill, but what are the two or three areas that you are most concerned with, if you could signal that for us here?

Mr Tays: I guess the first one is the matter of mine hazards and people who have leases. The provision to allow them to surrender it is not adequate as it is written. We are supportive of that concept, but it should be amended. Maybe Wally has some comments on that because he was closer to that one than I was.

Mr Rayner: We're in support of that concept, or the government policy that the prospector will not be liable for these old sites because he has taken ownership to a mining claim. There's precedent currently that the mining lands commissioner has ruled on that links this right back to the unpatented claimholder, and we're quite concerned about that. The reason we're concerned is because of some of the loose wording; you know, the wording such as "materially disturbed" land or ground. That's very subjective. I guess what we'd like to see is these definitions firmed up so that we know what we're dealing with.

Mr Phillips: That would be your number one priority?

Mr Rayner: Yes.

Mr Tays: I think the concept of "polluter pay" is really quite fudged, and that's not coming from this new legislation; that's in the current legislation.

Prospectors need to have confidence that they can go out and find mines and not be liable for the hazards of the past. So I think the government has to come to grips with that issue, and that's a fundamental that runs right through it. That's a serious issue and it needs to be developed.

As well, secured lenders shouldn't have the cloud of liability for mine operations if they're going to fund. Some of the meanings get lost there. If you become an owner, you are naturally responsible for whatever you buy, but if you're simply a lender, there shouldn't be any cloud on you for that. I think that would encourage mining in Ontario a lot, if we didn't have that kind of cloud on us.

The Chair: Thank you, gentlemen, for appearing today before the committee.

PHIL CUMMING
DAVID SHARPE

The Chair: May I please have Mr Phil Cumming and Mr Dave Sharpe come forward.

Good afternoon, gentlemen, and welcome to the standing committee on general government. You'll have 30 minutes today to make your presentation. You can use that time as you see fit, but you may decide to leave some time at the end for questioning. I would appreciate it, for the benefit of Hansard and for committee members, if you'd introduce yourselves into the record before you begin your presentation.

Mr David Sharpe: Thank you. My name is David Sharpe. This is a private presentation of myself and Mr Cumming. I'm a part-time student of public administration at Guelph, one of the universities in Ontario. I've served as an elected official and an appointed official at local and upper-tier municipal levels, and I work as a municipal employee as a firefighter.

1400

Mr Phil Cumming: Good afternoon. My name's Phil Cumming. I'm in the same capacity, a municipal firefighter. I'm also a small business owner, an entrepreneur of sorts. Again, we're here on a private basis only.

Bill 26 is critical to putting the multilevel government house in order. We strongly support the premise that this province must act boldly, decisively and quickly to turn around the deficit problem by the year 2000. Bill 26 gives some powerful tools to ministers and municipalities.

The question then becomes, how do you use these tools to effect permanent and fundamental change? In other words, how do new and innovative service delivery models become reality?

The first requirement is an open mind at all levels of government to explore new methods and an iron-willed determination to make the necessary changes to facilitate their implementation. Both attributes are being exhibited by this government, for which it deserves a strong commendation.

This proactive approach can achieve many positive results. One such result would be that the typical bureaucratic inertia will be expunged from the system. The politicians must send signals to the entrenched career civil servants that status quo is a profane word and that this new paradigm is not just a little bump in their agenda to be endured but a real search for an answer to the question, what should government's role be in today's society?

In our opinion, government-business partnerships that develop into a web of mutually advantageous links within and among communities of interest and other agencies are the best way to capitalize on each one's strengths. It is the way to implement essential community services while unleashing the potential of business to innovatively blend existing valuable people and resources for least-cost solutions.

We must capitalize on the vast experience and commitment of the existing workforce and help them achieve increased security by unleashing their own creativity. We must tear down the Berlin Wall of antiquated thinking inherent to our current structures. This new model, when embraced by each partner, can help all parties achieve their goals. The workers get increased job security; the ratepayers, good service; and the municipality, assurance of efficiently delivered products.

This brings us to a conceptualization of a three-part model in provision of government services: recipients, the public; arrangers, Queen's Park and/or local councils; and providers, currently mostly monopolistic government departments or ministries. Today, for a whole range of services, government decides that a certain service ought to be provided collectively and then proceeds to provide it as a monopoly with no notion of alternatives to compare modes of delivery or efficiencies. By using this new three-part model and moving the provision of services into partnerships with other providers both the stability of government and the dynamism of business can come together to enhance the lives of the people of Ontario.

We would like to suggest that emergency services, which are currently provided in a rather haphazard and uncoordinated fashion across the province by both municipal and provincial service providers, must be rationalized to ensure efficiencies. This is not to say that there should be some superagency to provide "one size fits all" service across the province, but there are certainly areas, such as communications, reporting, training, cooperation and procurement, to mention a few, that would be enhanced by larger units in the province.

Each municipality, for example, cannot afford to be prepared for hazardous materials incidents but collectively could have a reasonable response capability, especially if strong ties were forged with industries that have extraordinary knowledge in the area.

This is the web philosophy behind our design of a new paradigm for fire and ambulance service. Initially we are targeting as a pilot project a city- or perhaps county/region-wide model of partnerships forged to address the needs of the public while instituting strong incentives for lower-cost service delivery. We see this as a model for many other operations in the municipalities while acknowledging that some services have already implemented some level of partnership.

Emergency service, like health care, is a particularly sensitive area when dealing with the public. However, we would remind the committee that the initial contact with emergency services is through a privately operated, government-regulated telephone system, and that the ambulance system is in many cases privately run but regulated and licensed by the province. An independent provider could aggregate needs, which cross municipal boundaries, then provide the service level desired.

Some of the provisions of Bill 26 require that the municipalities in Ontario must show the government of Ontario how they are efficient if they want to control their own destiny. If they don't do it satisfactorily, then the government may impose a solution. There are all the traditional bureaucratic and political turf wars to overcome if the usual "meetings, reports and studies" approach is taken.

Let us contrast this with a different model. A salesperson approaches all the service delivery units in a given geographic area and tries to sell a service. A company needs to be quickly aggregated and as soon as it is viable the company implements the solution. The results are the total service cost is lowered and/or the service level is improved.

The company has an incentive to put together a solution quickly, to make its sales. There is also an incentive for each municipality to look at the solutions so it can assure the province that an effective solution has been achieved and it was done locally. Both are outcomes that the province is trying to achieve through Bill 26.

The company effectively is a neutral party and no one perceives that one municipality is taking advantage of another. Further, there is usually a time frame defined when any adjustment in the agreements to change services will keep the services relevant in the changing municipal context.

The people in the province of Ontario need a streamlined, flexible and relevant government and set of services. Bill 26 is necessary and a good response to the unprecedented problems that the deficit has exacerbated. If we don't make a concerted effort today to adjust resource allocation away from bloated, inefficient delivery systems, then we in Ontario will suffer radical, perhaps even fatal, economic surgery by outside international agencies. We have the opportunity to boldly seize our destiny for a better future for ourselves and our children. Let's get on with it.

The Chair: There are 21 minutes remaining in your half-hour. We would like to allot seven minutes per caucus for a response and questions. We'll begin with the government caucus. Mr Tascona.

Mr Tascona: Thank you for your presentation. It's very thorough. With respect to the restructuring of the government, what I sense here is that there's agreement with the need to restructure and the urgency that exists

out there. It's interesting, in the past two days we've heard from two provincial federations for firefighters and they're disappointed in our approach to the need to restructure. I'd just like to ask you, as a firefighter member, what encouraged you to come and speak to us today with respect to the message that we're sending out?

Mr Sharpe: In my public administration studies in the last four years I've gone through the exercise of observing the federal and provincial governments, particularly the federal government. Back in 1989 they started with their public service 2000 initiative, and that was to address at the federal level some of the problems we're still trying to address; now it's even come down to the local level.

They went through a legislative phase and it's become an analysis stage now of how well it's coming in. In fact even as late as this spring, I was looking at some work that showed that they still needed work on the implementation part of it, particularly at the mid-level. So it seems to us that there's a need for a whole new model in there to signal to the people that these are different times, that the status quo can't exist and the money's rapidly running out.

I would suggest that someone with 20 years in the system, unless some extraordinary information comes to them, doesn't recognize the changes adequately. I think that's where my studies have taken me and see it happen at the federal level, provincial, and it trickles down. Also, the time frame for trickle-down is rapidly shortening. What happens at the federal level happens locally now in a very short period of time, hence the deficit problems.

It's through my studies primarily that I saw this; also sitting on local councils and observing the operation, having a tremendous sense of staying near the people but having an open enough mind to say that it doesn't have to be the traditional structure, that you can still interact between the service providers and the public. You can have local groups, a volunteer group that oversees or is sensitive to some government service and their group.

Also at the county level we did go through a restructuring exercise about four years ago. There wasn't a great deal of political support among the municipalities, the local reeves and councils and that; hence the part about the turf wars and the studies and all those sorts of things.

I think it's becoming critical now that we make a move in restructuring, whether it's amalgamating municipalities—if we don't want to do that, if we want to preserve our history and heritage, then maybe we can aggregate those needs in another fashion, and that's really where we're coming from.

We can aggregate those needs and we don't necessarily have to take down that local council. If they want to be the "township of" and continue to do that, as long as they're delivering the services efficiently and through some type of cost-sharing, then we feel that a company or a private sector provider may be able to do this very quickly, along the lines of Highway 7 or the 407.

1410

Mr Young: Thank you very much for an excellent presentation. It's really exciting to hear the optimism for change, the change the voters asked us to bring in on June 8.

I wonder if you could just expand a little bit on your new paradigm for delivering public services. Could you think of any examples where it exists now that could be expanded? I'll tell you where I'm coming from on that.

The mayor of Mississauga, Hazel McCallion, says they have private garbage pickup right now and it works fine, thank you very much. She also said she has no problem with the minister looking over her shoulder. She said the minister should look over their shoulders if they're screwing up. Can you comment on how this paradigm might work with additional services?

Mr Sharpe: Yes. Garbage is a very popular one. There has been quite a growth in garbage, and then you get into—

Mr Cooke: Is that garbage or garbage as garbage?

Mr Sharpe: No, garbage isn't really popular at all. The notion of private companies providing a service in a municipal context. Because of garbage and recycling and source separation, those sorts of things, there's been quite a demand for collection. Lately, because there wasn't entrenched public service provision of that—in some cases there was some of that—they brought in the dynamism of business, and it gave the municipality a balance. They had more than one provider. I think one of the biggest problems is the monopoly in so many of the services. There's only one provider there and you don't have a choice.

Mr Young: So choice would provide better service through competition and partnership.

Mr Cumming: It lets the local elected officials, councillors, for example, now have control of their municipal services.

Mr Hardeman: On the issue of local restructuring and restructuring the services, do you see Bill 26 taking us in that direction, that in fact we are providing the opportunity for municipalities to achieve the goals you're referring to, or do you see it requiring further refining to accomplish that task?

Mr Sharpe: I'm only a student of public administration, but I have read the bill, and to a large extent—and I'm not a lawyer by any stretch—it seems to me one of the main thrusts of the bill is: "Look, municipalities, here are the goals. We have to achieve this, and these are the reasons why," and they're giving them the tools to be able to do that. They're not saying, "You will do it this way," but they're saying: "If you don't do it, this problem is critical. We must do it and we're willing to act." That's a new approach. "Here's the ball. Run with it. But you've got to run with it."

Mr Hardeman: Further to that, you do feel it's important that after the local initiative has been exhausted, there is an opportunity or a way of dealing with implementing the final results?

Mr Sharpe: I want my kids to be able to live in this country somewhere near where I've been able to live, plain and simple.

The Chair: Thank you. We'll change over to the opposition side. Mr Crozier to start.

Mr Crozier: Thank you, gentlemen. It's an interesting, rather academic paper that you've presented to us today. You mentioned that you had read the act, so I'd like your comments on a particular aspect of it vis-à-vis

restructuring municipally or at least doing things differently with the municipalities, and yet the power that the Minister of Municipal Affairs retains. Are you familiar with the Ontario municipal support grants that what they're doing is essentially giving the municipalities an envelope of money?

Mr Sharpe: So-called block funding.

Mr Crozier: Block funding. There we go. So you understand the concept of block funding. Yet where I see a power given to the minister: "We'll let you do this, we'll give this money to you, municipality, but if you don't spend it in the right way, according to the minister"—which will be apparently determined by regulation—"why then we can do a variety of things. We can reduce your funding. We can even make you pay some of it back." On one hand, we're getting governing to the local level and the decision-making to the local level, but—what do you think of the "but"?

Mr Sharpe: I think it's a necessary part of it. In our Constitution, as an example, there are the federal and provincial governments, and the provincial government has responsibility for municipal affairs—not necessarily the name of the department, but for things that municipalities do. It's all within the legislation; it's permissive-type legislation. They are collecting the taxes. We have an elected body in the Legislature that has to look at the demands that the people are making collectively in terms of funding and how much tax they want to pay, and we're getting a strong sense there that we don't want taxes raised. Similarly, at the local level the local politicians have to deal with that, particularly in the area of property tax.

I think it's two areas that need to work together, but at some point someone has to be accountable for this, and through our Constitution it's the provincial government. So I don't see a problem with them saying, "Here, we'll give you as much creative room as you need, but you must achieve this." I don't have a problem with that.

Mr Crozier: I appreciate that. I agree, through the Constitution it is the province, but then there is the Ontario Municipal Act. Some would suggest in fact that rather than having these types of piecemeal changes to the Municipal Act, the government should follow though on its promise to rewrite the Municipal Act. But when you talk about accountability, if the money's being spent locally, then I would suggest that the accountability should be local. But instead the minister is saying to municipal councils, "Notwithstanding your local contact, you're elected locally, you're accountable locally, if you don't do it the way I think you should do it"—and I'm getting at the power of one individual—"then, I'm sorry, but you may have to pay some of that money back." That's, I suspect, where we—

Mr Cumming: Under Bill 26, if the legislation allows municipalities to implement new models and paradigms such as we've presented this afternoon, then what you're saying is that the minister shouldn't have to go to those extremes. Under the current structure, whether it's transit, firefighting or whatever, ambulance service, everything is seniority structured, and this is one area, when the cuts come through, if there's not a new idea in place for them to look at, or they haven't got the power to implement it, then we lay off the bottom.

I'm here today also for the new idea, but there's a majority of the younger members on these departments who, because it's a structure the way it is in seniority, get laid off. Some of them don't even qualify for unemployment insurance. If we force them out the door, they go to the upper levels of government, whether it's unemployment or welfare. It defeats the whole philosophy of trying to reduce the debts. There's a system here, especially an emergency system, emergency services. Who runs the flights of stairs? It's not the guys who are a year or two from retirement. The customer would like that young guy coming in.

Mr Phillips: If I interpret the brief properly, this is sort of adjusting creative new solutions too. The minister has indicated that the bill does permit turning the firefighting over to a private company. I think he confirmed that the bill gives the mayors the powers to charge for firefighting and police. I think the minister said firefighting has been privatized in many US cities and he expects some changes along those lines. I gather you're saying that as you look at it, you think it's a pretty good idea to look at perhaps a private firefighting company.

Mr Cumming: Or a partnership with a business group of some sort. I don't agree with user fees; this is a service that I don't believe demands user fees.

Mr Phillips: The bill does suggest, and at least one mayor has said, that if your car catches on fire and you're not from that municipality, you're going to pay to put the thing out. You have a little difficulty with—

Mr Sharpe: That is currently the case, though. If a department services a car on the provincial highway, they can go back to the province and get some money.

Mr Phillips: I'm just saying that Mayor Lastman I think has indicated that as soon as this bill passes, he probably will put a fee on. If you're from Mississauga and your car catches on fire in his area, you'll be charged for that. That's a pretty good idea in your mind, is it?

1420

Mr Sharpe: That's not the side we were addressing here. We were addressing the cost side. We want to develop a new web of interrelated—so that people, when they have an emergency problem, get the best-directed service appropriate to their needs and not a lot of overlap. That's really what we're looking at.

One example: The province, in terms of its highway snowplowing budget, has hired some private contractors and some of their own. They get to compare costs and they still have the security of having a force of their own. We believe that government stability can be accomplished there through a partnership and linkage with other providers, not necessarily for the whole thing at all. In some cases it may be only one part of the service, as we do now; Bell Canada supplies the communication to us in the first place.

The Chair: Let's move along now.

Mr Cooke: I noticed just now, and also in your brief, you refer to the connection to emergency services being through a privately operated company. I'd just obviously remind you that we're talking about a privately operated—yes, publicly regulated, but a monopoly, so I'm not sure that that's the best example of success in the private sector. I would dare say that there are a lot of people in

the country who are not thrilled with the way that particular monopoly has provided service over the years.

I have difficulty understanding when a few people—there haven't been many, but when a few people come before the committee and talk about how this bill will result in restructuring in the way that we deliver services when I don't see a lot of that in the bill at all. I see new mechanisms for municipalities to raise taxes, and new taxes. That doesn't impose restructuring. In fact, it could result in avoidance of restructuring by developing new mechanisms for revenue.

Then I look at areas of municipal restructuring. We've already got the ability to restructure municipalities. The reason that hasn't happened is because local politicians don't like to do that. So what do we do? We've got regional governments, we've got local governments—we've got about 800 municipal governments in the province. We've got the Ministry of Municipal Affairs, we've got regional offices of the Ministry of Municipal Affairs, and now we're going to set up a new bureaucratic organization called a commission that will look at restructuring local government. I dare say that each one of those commissions that will be set up will cost hundreds of thousands, if not millions, of dollars of taxpayers' money, and that'll go on the property tax base.

In health care, we've already got district health councils at the local level, we've got hospital boards, we've got agency boards, we've got the ministry, we've got regional offices of the ministry, we've got regulations. Now what are we going to do? We're going to have a commission set up to look at each community and close hospitals—another big bureaucracy. You could go through every part of this bill and I think you could make a pretty good case that this isn't something that's tearing down bureaucracy; this is a bill that's putting in place new bureaucracy to try to put changes at arm's length for the government and give them a political cover. I dare say, at the end of the whole process we might have fewer services but we're not going to have more efficient or new ways of delivering service.

I'd like to get an understanding. Since you've gone through the bill in detail, where is the restructuring in the bill?

Mr Cumming: It's ideas brought forward by individuals such as Dave and myself. I imagine with the cameras on here this afternoon the news of our being here will be home before we are. You can appreciate how, working on a unionized workforce, they're resistant to ideas like this. But in all fairness to all government levels, until a new model is brought in, the only alternative they have is layoffs to save money, to resist increasing taxes. It lets people put all these creative user fees in there. I think there's enough room and efficiencies in these little budgets to get around all that.

Mr Cooke: I understand the concept of privatization; that's been around for a long time, that's not new. I have a concern with privatization of some of the essential services that you're talking about, like fire, and the lack of accountability that exists when you start having services that cover too big a region and a variety of different councils. Then the taxpayers say, "Who do I hold accountable for the delivery of that service when it's involving five or six different regions or municipalities?" In politics, accountability of the elected officials to the taxpayers and the voters is pretty essential.

Mr Sharpe: That's why this can be addressed so well through what we're suggesting. The local council can exist, they can decide what level of service they want and then they have an alternative approach, rather than just simply, "What have they got next door?" Maybe they need something different than that.

In terms of things like communications and that, when you get into larger areas, if you have one person answering a telephone for each municipality, when there gets to be a large disaster in one area that one person could be overwhelmed. If you can electronically move your people around—in other words, have a group of people answering phones for a large area—when a small area has a problem you can virtually move these people in—not physically of course, but electronically.

Mr Cooke: Yes, but there's nothing under the current laws that prevents any of that from happening. I'm wondering, why your enthusiastic support for Bill 26 when it doesn't do anything to facilitate what you're suggesting?

Mr Sharpe: We feel that it does from the point of view that—

Mr Cooke: Tell me how.

Mr Sharpe: Yes. It's very clearly mandated that a person, an accountable person, the minister of, in whatever case it is, wants to achieve certain goals that are sorted out through the government, through the elected officials, and then from that point on the municipalities are told: "Here, run with it. This is what we want to achieve." It may just be cost-cutting at this point, because people are happy with a lot of the services, but the point is, I think it's a signal—

Mr Cooke: Show me where that is in the bill.

Mr Sharpe: Where it is in the bill is the municipalities have the first chance to solve their problems, but there's a major incentive there to do it and do it quickly to solve the deficit problem. It signals to me a distinct desire by this government to move in that direction. It's giving the impact or the motivation to do that. I agree, in a lot of cases it's already there, but the motivation hasn't been, and this is what I think Bill 26 signals.

The Chair: Thank you, gentlemen. You've come to the end of your half-hour. I'd like to thank you for coming forward to appear before the committee today.

We now have two empty spots, so we're going to have a one-hour recess. Before we leave, I would like to note and congratulate the researcher and clerk on how quickly they were able to obtain the privacy commissioner's order on frivolous and vexatious requests. I believe a copy has been provided for each caucus.

They've also made an overture to the Minister of Labour's office to see if there are indeed minutes of her speech. They found out the date of the speech a presenter talked about yesterday and they are undertaking to see if there is a copy of that speech available.

Mr Cooke: We're waiting for whether she's going to appear. Any word on the legal opinion from the ministry?

The Chair: That's supposed to be here by the end of this week, I believe.

Mr Hardeman: The legal opinion I believe will be ready tomorrow morning.

The Chair: Thank you very much. We'll recess for one hour.

The subcommittee recessed from 1428 to 1530.

DUNCAN MacDONELL

The Chair: Good afternoon. Could I have Mr Duncan MacDonell come forward, please.

Good afternoon and welcome to the standing committee on general government. You'll have 30 minutes today to make your presentation. You can do as you see fit with that 30 minutes, but you may wish to leave some time for questions and responses from the three caucuses. I'd appreciate it if you yourself would read your name into the record for the benefit of the committee members and for Hansard. You're perhaps representing yourself as a private citizen, that's fine, but if you are representing an organization, could you read that into the record too?

Mr Duncan MacDonell: My name is Duncan MacDonell and I am in fact representing myself as a private citizen. I think I might be a bit of an anomaly.

What I wanted to do today is talk about the diminished role of judges in the arbitration process. I was a little bit upset about that. But about a half-hour ago I was reading yesterday's copy or this morning's copy of the Toronto Star and I saw the headline saying something like "people are asked to submit written requests to make presentations to this committee because of time constraints," and it occurred to me that I'm probably one of the lucky ones who gets to sit here in front of you and speak to you.

I'd like to submit, first of all, this to the records. I'm not going to pretend to be a compelling speaker. I'm just a desktop publisher from George Brown. I think what's concerned me is that—well, let me tell you a little bit about myself.

My name is Duncan MacDonell. I'm from Kenora, Ontario, which is up north and I've lived in Toronto for the last five years. I've studied at the University of Toronto for four and I'm finishing a year at George Brown in desktop publishing, so I'm pretty confident I'm going to get a decent job and the economy will be a wonderful place for me.

But what I'm concerned about is—I guess it started the day I found out about Bill 26. It was the day after Eves's mini-budget. I heard about it on Metro Morning. What struck me was this perception of—I don't know the right word to use—I guess arrogance on the part—and it's not a personal diss to any of you because I'm sure your hearts are in the right place, but there's a general perception of arrogance and being out of touch around the 20-somethings here in Toronto, and I'm pretty concerned about that.

What I'd like to do is put on record maybe some advice or some concerns that I have about how Bill 26 was handled and some genuine and in-good-faith suggestions on how, when something like this comes about in the future, the same mistakes won't be made again.

I guess all it really is—I'd love to speak more, but I don't want to take any more of your time. I'm pretty unhappy with the speed at which this was introduced, the amount of time that we had to consider it and I feel almost as though I don't have a voice here and until about a month ago I did. So I think I might be speaking on behalf of a lot of people. We're starting to feel a little bit alienated about all this and we're starting to get very concerned about being left out in the decision-making process here.

Really, I think that's all I have to say because I'm talking off the top of my head. I was going to make a formal presentation about something really boring that you're probably going to hear about later, but I guess this is from the heart, so take it as it is. Do you have any questions?

The Chair: Would you care to read your submission?

Mr MacDonell: Sure. In retrospect, it's kind of irrelevant to what I was just talking about, but I will read it for the records.

To the committee responsible for the Bill 26 public hearings:

The following appear in sections 1, 2, 3, 4 and 5 of schedule Q: Amendments to various statutes with regard to interest arbitration and will be brought into force on the day the Savings and Restructuring Act, 1995, receives royal assent:

"In making a decision or award, the board of arbitration shall consider the following criteria:

"1. The employer's ability to pay in light of its fiscal situation.

"2. The extent to which services may have to be reduced, if the current funding levels are not increased.

"3. The economic situation in Ontario and in the municipality."

These three criteria should be dropped from where they appear in Bill 26 in schedule Q for these two reasons:

First, these criteria undermine our faith in the provincial government. The focus of the present provincial government is dangerously money-centric—just as an aside, I don't know the proper terminology for this, but I hope the meaning's clear. Okay, back to the piece—and the principles that guide elected officials shouldn't have such a bearing on a system that has been evolving in earnest since the early 1960s.

What the addition of these criteria say to me is that my government worries less about the obligations of the employer and more about making further cuts. For instance, if a librarian was qualified to be paid a level 5 salary based on the responsibilities she or he had but only earned a level 4 salary and so took her or his case to arbitration, it is very possible that the salary she or he is entitled to won't be granted due to a budget cut. This undermines all the rights that public sector workers have earned over the years.

Second, this legislation weakens our collective confidence in the arbitration process. If an arbitrator is obliged to submit to the whims and beliefs of the provincial government's Ministry of Finance, then of course she or he will have less autonomy from government and the decision handed down will not be taken as seriously. As a result, the power of the arbitrator is weakened.

Unless undermining the authority of arbitrators in order to navigate around hard-fought workers' rights in the name of budget cuts is the explicit intention of this

government, I request that these three proposed criteria be dropped.

Sincerely, Duncan MacDonell.

The Chair: We've got about six minutes for each caucus to ask questions and we'll start off with the opposition caucus.

Mr Crozier: Thank you, Mr MacDonell. There's no reason at all that you should in any way feel you shouldn't be before this committee or that your presentation will be regarded any less than any other, at least by ourselves, because I think you represent, by far, the majority of Ontarians in that we are individuals. We've had some presenters who have been very sophisticated, but didn't understand the bill. So at least you're expressing your own feelings, and it's interesting to me that you should use librarians as an example because I have a daughter who has her master's in library and information science and can't get a full-time job in this province. She's one of what we estimate to be 25% of the youth or young unemployed in the province.

A lot has been said around the table about costs, about our debt and deficit, and I don't think there's anybody in the Legislature, outside it and for the most part in the province, who isn't concerned about that. I think what you do see around this table is a difference of opinion on how we go about it.

You've also mentioned about the arbitration method. This would insinuate, since it's being put in here that "the employer's ability to pay in light of its fiscal situation"—it's been put in here as though arbitrators in the past totally disregarded that, which you may or may not agree with. I don't happen to think so. I think any arbitrator worth his salt probably would take that into consideration.

Not only the three that you've mentioned, but I'd like your opinion with regard to—and I think it's in each one—number 5, which is "the employer's need for qualified employees." Where that bothers me, and I'd like your opinion, is that there may be professional services, like firefighters, teachers, hospital workers or in the public service, where an arbitrator, in their decision, may feel they don't need certain qualifications, yet you and I, as regular citizens, may think so. That's another one I'd like you to consider adding to your list: How do you feel about the arbitrator being able to take into consideration the fact of the qualification of the employee?

Mr MacDonell: Pardon the pun, but it's arbitrary when someone has to determine how many people are necessary for a certain role in the public sector: firefighters, police, librarians, teachers. I would like to have included it all in this, but I think there were five, I believe. The first three, however, were pretty closely related, in my opinion. Like I said before, I'm just a regular guy and I don't want to put too much time and effort into going through the legalese of them seeing what the perceived needs in the population are.

1540

But what does concern me is—and this is just from personal experience and my friends and people I know who've been affected by changes in the government in the last few months—there's a general feeling of not being included in the decision-making process right now. I say again, I am a bit of an anomaly that I get to speak to you instead of write a letter, but I think so many of us do feel left out of the decision-making process. We don't have a lot of confidence in the government to decide how many firefighters is safe, if that helps, but I don't think I should include that in my presentation.

Mr Crozier: I wanted your comments. Thank you.

Mr Phillips: You have identified a part of the bill which, like most parts of the bill, represents very significant change. In fact, I was sufficiently suspicious of the bill that I turned to the back and worked from the back forward, because I figured that's where the government was trying to hide its biggest change.

I don't think there's any doubt that this is a fundamental change in the bargaining relationship between our firefighters and our police and our teachers and our hospital workers. It's a huge change. The government may want to proceed with it, and based on the comments we've heard, I'm sure that right now they're absolutely dedicated to it. I assure you that this takes away a huge part of the bargaining rights of those individuals. There is no doubt about that. It inserts language for the arbitrators that exists nowhere else. It just doesn't exist. One of my colleagues from the Conservative Party the other day, I thought, said that this language is encoded somewhere else. I specifically asked the Labour ministry staff to send me the language. They originally, in their briefing to us, said, "This language exists in Alberta, it exists in many provinces."

I thank you for pointing out a big part of the bill and for identifying what I think is going to be an area of some considerable controversy.

Mr Cooke: Thank you for appearing before us. When you said you listened to Metro Morning, then I knew you were just an ordinary guy.

Instead of talking about the amendments with respect to interest arbitration, because I think you've made yourself quite clear and we share some of those concerns, I'd rather focus a little bit more on your feeling of being left out of the process. I think that has become a very symbolic part of this government.

Let me put to you the argument that they used to us, and that was that on June 6, they won the election—

Mr Hardeman: June 8.

Mr Cooke: June 8. How soon we forget. I'm trying to forget. So far I've only missed it by two days. I'd like to forget it a lot more than that.

Their argument is that they got 45% of the vote, they won 82 seats out of 130, and democracy in a parliamentary system only exists once every five years. They've got a mandate to do what they're doing and that's it. There wouldn't even be public hearings on this bill if it wasn't for some pretty extraordinary activity in the Legislature a few weeks ago.

I'd just like to get your reaction. They do have a majority. They've got a mandate for something. I don't think they've got a mandate for all of this, but they've got a mandate for something.

Mr MacDonell: I'm glad you brought up the fact that I wouldn't be here unless it was the party that's not in power working tooth and nail to give us a chance to speak. I completely appreciate that.

Mr Cooke: Parties.

Mr MacDonell: Parties. I'm completely sorry. It was good to see the two of you working together, though. I'd like to see more government working together.

The symbolism of it all is very important. When the new government was first elected, I was cautiously supportive. I thought maybe they'll stick with their guns. I guess they have. They represent all 18 Toronto belt ridings and the most middle class, privileged, vindictive and probably overtaxed segment of the population. For the next five years they are going to represent them. They're going to represent the people with the largest voice.

I don't have a big voice. I live downtown. I go to school. The underprivileged don't have a big voice. I think that for the next five years this sense of alienation is going to grow, because I don't think they represent me. As to the whole idea of a mandate, the 45% that voted for this new government, they're not me and they don't come from where I come from; they come from a completely different way of looking at things. Unless there's some huge effort made on the part of the government right now, I don't see myself being able to get involved and feel like I'm taking part in the process of democracy. I'd much rather pack my bags and move to BC. The weather's nicer, the tuna's cheaper. I guess that's all I have to say.

Mr Cooke: In terms of processes government should use to keep people involved and to have that ongoing democracy, what should this government, or quite frankly, any government, do to involve its citizens on a more ongoing basis? The hearings are important, but you know as well as I do that the hearings are the very last stage. Once a government's brought a bill into the House and it's been passed for second reading, it's got to defend that bill.

Mr MacDonell: I guess there are two places to start. One, you can start symbolically. You can take the fortress and chain-mail out from around the Legislature. That would be a great start and make me feel a lot more welcome here. But actively going out and knocking on doors and slowing down—sure, it's a Common Sense Revolution, but slow down. Let us all have some time to digest what's happening, what's going on.

What really struck me about Bill 26 when it was introduced was that it was introduced—was it the day before or the day after the mini-budget came out?

Mr Cooke: The day of.

Mr MacDonell: Nobody noticed because everything was going on at once. Photo-radar was taken off the roads because—it wasn't decided on in the House. My impression is the police were instructed not to bring their cars on the highway. Everything is happening far too quickly for the rest of us Hobokens to get a grip on. I am feeling completely out of the loop. I feel like I'm a month behind the times and I really would like to have a voice here. Maybe extending the hearings for another month.

Mr Cooke: I appreciate your coming forward. I think you've expressed certainly a feeling that I'm getting from a lot of people in my own constituency and also in correspondence, but you've done it better than we can do it as politicians. Thanks for being before us this afternoon.

Mr Tascona: Mr MacDonell, I'd just like to ask you, are you aware that we've given this legislation more committee time than any legislation in the last two parliaments?

Mr MacDonell: That's a great question. Let me get going on that one.

Mr Tascona: But are you aware of that?

Mr MacDonell: Even if we are giving so much to this legislation, there's still a waiting list to speak to you. You're asking people to write letters to you. I think the reason that so much consideration is being given to this legislation is that it is so mind-numbingly sweeping. It's everywhere. It sets the stage for the agenda for the next five years. We have to sit down and think about it.

Mr Tascona: But you are aware that we've opened the process to the public to make submissions, and obviously the public is aware because they're doing that and they want to come forward.

Mr MacDonell: Yes, and I encourage you to bring the public forward, to go door to door. I don't think the government in power should take credit for my being here right now. That would be a huge mistake.

Mr Tascona: We're not trying to take credit, but you do know every riding has an MPP office and certainly anyone can go there. I know in my own riding we have a copy of the act and we have people there to talk to them about it. I think that's democracy in itself.

Mr MacDonell: I think so, and I think the MPPs should actively encourage their constituents to come and seek them out; don't wait for the constituents to seek them out first.

1550

Mr Tascona: I want to deal with a couple of your submissions with respect to interest arbitration. I just wanted to assure you that you're dealing with the qualified librarian. That's a form of arbitration which is called rights arbitration where you have a grievance under a collective agreement. We're not affecting, by Bill 26, anything to do with rights arbitration. What we're dealing with is interest arbitration where we're dealing with a collective agreement in itself.

Mr MacDonell: That's the interpretation of the contract?

Mr Tascona: No, not the interpretation of the contract, but dealing with settling such issues as wages and areas that have been subject to negotiation between the parties, not the interpretation of the contract, which would be subject to rights arbitration. We're not going to affect that. Bill 26 deals with interest arbitration.

I'd like you to know this, and I take notice of my friend from the Liberal Party, in terms of mandatory criterion. It is a fact that other provinces and the federal government have mandatory criterion for interest arbitration. It's also a fact that ability to pay can be considered as a relevant factor by a board of arbitration.

But I'd like to ask you this: I take it you favour a form of mandatory criterion because you didn't exclude all the five factors, you just took out three. What concerns me, and I'd like to get your comments on this, is the ability-to-pay factor. We're dealing with a situation where obviously we have, as a provincial government, a critical

deficit situation. Our transfer partners are going to be receiving decreased transfer payments. I'd like to ask you, how can it be unreasonable to ask arbitrators to consider an employer's ability to pay when setting contract awards?

Mr MacDonell: All right. For starters, you're mistaken in assuming that my silence implies consent. I may very well be in opposition to the two criteria that I didn't include on this list.

Mr Tascona: You can tell me right now.

Mr MacDonell: I don't want to include them. I want to keep focused.

I think what's important, perhaps, would be the perception, the rights of the public sector workers over the coffers of the government. It's not up to me to tell you how to balance the budget, and I know that's very important to the 45% of Ontarians who voted, and now it's around 60%. I give you full credit. There are a lot of people who support you. The approval rating, I don't know; it's some poll thing.

Mr Tascona: But don't you think, Duncan, that the public interest should be taken into consideration also in terms of the ability to pay, to avoid tax increases, to ensure that reductions in service levels don't occur from an arbitrator who basically says, "I'm going to increase the wages," and does that in the face of fiscal restraints?

Mr MacDonell: It makes perfect sense. On the same note, though, I think that if the librarian who is doing the work of a level 5 librarian instead of level 4—don't ask me what that means—goes and wins an arbitration case, and in my understanding most cases that go to arbitration come in favour of the—

Mr Tascona: That's rights arbitration. We're talking about interest arbitration where we're dealing about a collective agreement that is being negotiated. We're dealing with a situation where wages are a main issue and we have to deal with the fiscal reality of the situation, which is that employers in this day and age can't pay what an arbitrator says they should be paid because there are limits.

Mr MacDonell: So because they don't have enough money to pay what it is the workers' rights to get for what they do, they're not obliged to pay them under this legislation.

Mr Tascona: If they have to get the money, they may have to go out and tax or they have to reduce service levels. Don't you think it's better that they don't increase taxes or reduce service levels and maintain individuals in their jobs, so we can have an efficient operation in a fiscally responsible manner?

Mr MacDonell: No, I don't.

Mr Tascona: You wouldn't agree with that.

Mr MacDonell: I disagree with that.

Mr Tascona: Okay, I understand.

The Chair: Thank you, Mr MacDonell, for appearing before the committee today. We appreciate it.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair: Could representatives from the Canadian Federation of Independent Business please come forward. Good afternoon and welcome to the standing committee on general government. You have half an hour to make your presentation today. You can use that half-hour as you see fit. You may choose to leave some time at the end of your presentation for response and questions. I'd appreciate it if you'd read your names and your organization into the record for the benefit of both Hansard and the committee.

Ms Catherine Swift: My name is Catherine Swift. I'm the president of the Canadian Federation of Independent Business. My colleague Judith Andrew is with me today. She is the director of provincial policy with special responsibility for Ontario.

We had packages, which I hope you just got, including our statement today, as well as some background material, notably one on the whole area of property taxation that we had completed actually quite recently.

We're going to probably talk for about 10 minutes or so and hopefully leave the rest of the time open for questions.

As you may know, the CFIB is a non-partisan political action organization which represents currently about 40,000 small and medium-sized firms in Ontario, and about 87,000 across Canada. All of our members are Canadian-owned companies and owner-operated, as well as independently held, not publicly listed companies.

We very much form our policy positions on any given issues on the basis of input from our membership. We found, as we went through the omnibus bill, that at this time we have member direction already on a number of key elements of this particular piece of legislation. Naturally, we haven't yet had the opportunity to survey on some of the areas where we may not have already had member information, so our comments today are not comprehensive necessarily, but they do focus on our priority areas with the bill, and on which we already had significant direction from our members as to which way we were going.

Overall, small businesses in Ontario have been very much supportive of quick and decisive action by governments in many areas to start to correct some of the problems that have been created by the tax-and-spend approach we've seen governments take in this province over at least the last 10 years and probably longer.

We do ongoing surveying of our members and one of the most recent surveys we did on general member priorities showed that we saw concern among small businesses over the overall level of the debt and the deficit was at a record high. It happened to be just over 84%, and this has increased quite dramatically over the past few years in this province. It was the second most important issue prioritized by our members, just after the issue of total tax burden which is the perennial number one on our surveys, possibly not surprisingly.

We've heard a lot of public opposition of course to this bill, not unexpectedly, I guess, but we don't find that our membership seems to have a great deal of problem at the moment about the scope of the bill and the rapidity of the bill's introduction. We've always found in our organization—we've been around almost 25 years now—that if our members particularly have a problem with something, sometimes even if they support it—but as usual it's usually the complaints one hears—we hear

about that very quickly. We've found on this particular piece of legislation that we really haven't had an awful lot of feedback from our members. We'll of course be continuing to monitor that over the next little while to see how that proceeds.

Generally speaking, some of the overall objectives of Bill 26 are very much in sync with what our members have been recommending in Ontario for many years now, that of reducing the overall size and, of course, the cost of government, and hopefully increasing the efficiency.

Another survey we did earlier this year showed that in terms of the priority areas outlined by small firms for expenditure reduction—there's a chart on page 2 of the brief that outlines some of the data here—some of the key areas they felt were the most desirable targets for spending reduction included business assistance, social assistance and local government transfers. Areas in which small businesses supported lesser spending reductions, but nevertheless some spending reductions, included the environment and education, and we also found that a majority of our members favoured freezing spending in the area of health care, although we still had a quarter who thought some reductions there could be achieved.

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Getting into some of the specifics on the bill, we find that in the various amendments to the Municipal Act that are in schedule M, a lot of the direction here would have the support of small business on the basis of past surveying we have done. Certainly permitting municipalities more autonomy to make decisions at the local level is commendable, and our members do support the principle that the closest level of government accountability should certainly be improved and increased.

We also think that it's essential that the provincial government undertake measures to promote municipal restructuring and municipal consolidation, since, as we've seen in the past, this won't happen if it's exclusively left up to the municipalities, but it certainly is badly needed.

We don't believe that regional governments, as a result, should be excluded from the bill, since research we've done with our members on the particular issue of two-tiered local government suggests that our members overwhelmingly support the elimination of one level of local government. Indeed, we did a brief survey in late 1993 and we found our members were 73% in favour of the elimination of one tier in the case of two-tiered local governments.

As well, although our members have of course had quite varied experience with different municipalities over the years, we have generally found that municipal governments are often the worst offenders in terms of overspending and the related large increases in property taxes. We've done a lot of work on the property tax area as this issue has increased in importance among our members. Perhaps not surprisingly, at the local level, business taxation far exceeds residential taxation in all municipalities. We also find of course that variations among similar businesses are enormous and not based very frequently on any reasonable criteria. Small firms also are typically more exposed to property taxes and problems in the system than are larger corporations. So we find small firms are especially vulnerable to a lot of the inequities in the property tax system.

One of the things we have included is this study called Silent Killer, and I might just briefly refer you to a couple of charts in that. In the introduction, just after the executive summary, in figure 1, there's an international comparison of total property and wealth taxation, and this just situates Canada within the international context. As you can see, we are right off the scale compared to other jurisdictions, other developed countries and so on.

Then turning the page, a couple of pages actually, to figure 2, we can see that Ontario is very much a standout—not a commendable standout, but nevertheless a standout—as far as being the worst for property taxation in Canada. So Canada is the worst in the world; Ontario's the worst in the country—not a very enviable record. And of course we have found a lot of problems particularly visited on the small business community as a result of these systems.

We've also done some work in the area of compensation and benefit levels between the private and the public sectors, as have other organizations whose research compares favourably to ours. We have found there as well that municipal governments are often particularly guilty of having salaries and wages for their employees that are much higher than for private sector workers in comparable occupations.

As a result, from the viewpoint of our membership, municipalities do not have a great track record, and giving these municipalities yet more powers to raise revenues is greeted with dismay by many small firms. Giving municipalities in particular access to direct taxation in addition to their existing ability to levy property taxes, business occupancy taxes, user charges and development fees is very questionable in the light of most municipalities' past inability to manage their finances effectively. We believe these parts of the bill should be seriously reconsidered.

Small firms very much support the notion of encouraging municipalities to pursue privatization, contracting out and franchising as a means of reducing costs. There has been quite a lot of evidence to suggest that significant cost savings and efficiency gains can be achieved by these kinds of measures. We've also found that over the past 10 to 15 years, many of our members have found their own businesses threatened by competition from public sector competitors, many of which have been found in the municipal domain. We feel that small firms that are paying taxes and then find their own business area intruded upon by a public sector competitor, who of course is being subsidized by those tax dollars, is pretty inexcusable from any standpoint at all.

Ms Judith Andrew: On the issue of user fees, I think from our surveys and the evidence we have, small businesses are generally supportive of a user-fee approach to public services, but that comes with two caveats. The first is that the service provided must be commensurate with the fee charged and, secondly, that the new fee and the revenue it raises has to also be accompanied by a comparable decrease in other areas of taxation. In other words, fee increases or new fees should be a replacement for other forms of taxation, not in addition to them.

All too often we've found that governments have effectively undertaken tax increases in the name of user

fees, and very often those fees are out of proportion to the value of the service provided. A key example there was the corporate filing fee.

The small business community doesn't believe overall that there should be a need for significant increases in user fees or in property taxes at the municipal level as a result of the reductions in transfers proposed by the provincial government. As you could see from the study we've conducted, tax levels are already excessive and very punitive to small business. So we are very firmly of the view that there should not be any increase in either user fees or property taxes.

Small businesses themselves have faced economic conditions over the past several years which required them to lower their costs in order to remain in business. They feel that it's critical that municipal governments also look to the cost side of the equation and reduce their overall spending as opposed to looking to make up the transfer reductions in the way of fees or tax increases.

Given our members' experience with taxes and fees at the local level, it wasn't surprising to find in our 1995 property tax survey that only 19.4% of our members supported increasing or expanding user fees. That result is in the tax study, Silent Killer. It's page 21.

In terms of the position some other business groups have taken relative to expanding local governments' abilities to raise more revenue via user fees, we believe that their arguments that were based on the premise that current municipal fee-based revenues are underexploited and so forth are fallacious. If you look at the facts, the reason the proportional role of user fees is low has to do with the excessively high levels of property taxes in place in Ontario, not because the user fees are too low. We believe that if property taxes were more in line with other jurisdictions, the relative contribution of user fees versus the other sources of revenue in municipal finance would be substantially higher.

Our members also favour the gradual elimination of the use of variable mill rates, a subject that wasn't addressed in the bill. We think that assigning different mill rates to different types of property severely distorts the tax system and they cannot be assigned in any meaningfully objective way. It's our position that uniform rates are the fairest way to apply property taxes.

I'd like to turn now to the proposed general licensing powers of municipalities contained in the bill. We believe that these powers in Bill 26 are too sweeping in their scope and would permit too much opportunity for arbitrariness in the granting of licences to businesses. We believe that licensing requirements should be reasonable minimal requirements to prevent them from becoming a barrier to business. We're concerned about the ability of municipalities to impose special conditions on a single business that have not been imposed on other businesses in the same class, since this in effect would be discriminatory and arbitrary treatment of a particular business.

We also find worrisome the enabling legislation that would permit municipal governments to levy licence fees which may be in the nature of a tax, possibly for the sole purpose of raising revenue. Small businesses believe that licence fees should bear a direct relationship to the cost of the service being provided, and this should not simply be another means of raising revenue.

The schedule Q elements of the bill on interest arbitration are in line with CFIB's long recommendation that the ability to pay must be a central consideration to any determination of public sector compensation settlements. We conducted a survey after the 1995 provincial election. It was our post-election issues survey, a pot-pourri of issues, but this particular one in this area found that 83% of small business respondents favour replacing the right to strike in the public sector with a system of arbitration of settlements according to criteria which limit the amount of the settlements.

1610

We find the direction in the bill, however, to be too open-ended in that it doesn't preclude such things as increasing taxes as a means of enhancing ability to pay on the part of the employer. As well, the record shows that wage increases accorded by arbitrators have typically exceeded those arising from freely negotiated agreements. Accordingly, awards by arbitrators should not be permitted to exceed those that have been freely negotiated by other bargaining units of the employer within a similar time period. Just generally here, we think there should be more stringency in this entire area.

I'd like to turn also to schedule A of the bill. Small business supports the thrust of this section to promote disclosure of broader public sector compensation levels in excess of $100,000 per year. Studies conducted by ourselves and of course others have indicated that public sector salary and benefit levels on average exceed those in the private sector by a margin of 15% to 20%. Incidentally, we actually have our most recent study with us if the committee would wish it.

The benefits in the public sector, notably pension benefits, are typically much richer than those in the private sector and, of course, they're subsidized by taxpayer dollars. Overly generous public sector compensation levels are not only inequitable, but they represent a source of unfair competition to the private sector employment, especially in remote communities. Small businesses have often found themselves in the unenviable position of competing with the public sector for unrealistically well-compensated employees with their public sector employer competitors subsidized by businesses' own tax dollars. We believe the disclosure of public sector compensation would go some way towards exposing those inequities and applying some reasonable limits to compensation and benefit levels in the broader public sector.

Just generally to wrap up, we believe the objectives of Bill 26 to reduce the cost and increase the efficiency of government are necessary and they are commendable, although we believe that some changes must be made, as Catherine and I have both outlined. Small firms in Ontario have long been supportive of the thrust of the legislation and we believe that action on many of the items is long overdue. The comprehensiveness of the bill makes it difficult to provide detailed, informed comment on all of its elements but, on the other hand, the need for quick action is clear. The Canadian Federation of Independent Business remains available to provide any further input as necessary as this bill moves through the legislative process.

We would welcome your questions and will attempt to answer them.

Mr Cooke: Thanks for the presentation. I just have a couple of questions. Since one of the major aspects of this bill is the new powers that it gives to municipalities for taxing and licensing, which most people would say is a tax—I think you've said that in the past—if those sections of the bill remain and since the number one priority for your membership is taxation, would that change your view on the bill for third reading?

Ms Swift: It probably would, because I think what we see as governments at all levels push down spending responsibilities—the federal government's doing it provincially, provinces are doing it municipally—we see for our constituency in particular, given the problems with the small firm sector, it being particularly vulnerable at the municipal level from all the evidence we've ever seen, I think we see that as one of the key threats to small business in the future as governments sort of reorient their spending and what not. So if there weren't some modification, yes, I think we would have some pretty serious problems with that.

Mr Cooke: Mr Leach, when he appeared before the committee, said very clearly—I don't have Hansard for that day in front of me, but he made it very clear that one of the reasons municipalities were being given this additional taxing power was to make up for the lost revenue that the province was cutting. I know you support the proposed income tax cut at the provincial level. Would you think it would be such a good deal if, on one hand, they're cutting transfer payments to municipalities at the level they are, cutting provincial income taxes for the sole purpose of allowing municipalities to raise taxes, so that in the end, since there's one taxpayer, the taxpayers of this province are going to be no further ahead?

Ms Swift: If that is indeed the case, that would be a problem. I don't know that it should be or would be. Obviously, it'll depend on the details of the tax reduction on the personal income tax side. Fundamentally, we see government, especially from a small business standpoint—many small firms, probably most, have gone through hoops over the last 15 years adjusting to two very difficult recessions. They don't have the option of saying, "I'm going to up my prices" when a recession hits; they have to cut their costs.

We see no reason why the rules should be different for government. Government has never, until relatively recently, across this country taken that option. The whole notion that this automatically has to result in a tax or fee increase at the municipal level we don't buy for a second, and we have heard people in the provincial government saying the same thing.

Obviously, it needs very close monitoring. We do think the best way to give a boost to the economy is to put more money back into the people's hands who are going to create the wealth, both consumers and the job creators, small businesses. We don't buy this automatic relationship, that it will automatically have to mean an increase in taxes. It certainly isn't the case for a business community, and if we can do it, governments can too.

Mr Cooke: When you're comparing the property tax levels in this province with other provinces, I think it would be important for you to include the fact that this province relies more heavily on property taxes for the purpose of education funding than any other province in Canada. Part of the inequity or part of the distortion of the comparisons is because of an outdated method of funding education at the province.

Ms Swift: We do. Actually, if you read the report, those factors are included.

Ms Andrew: Our recommendation is to limit the use of property taxes to fund education, and that's contained in the Silent Killer report.

Mr Sampson: I want to follow up on this issue. I think the theme of Mr Cooke's question is the accountability and who pays for the services being provided. Is it your group's view that small business is better off if accountability for service delivery and the financing or funding of that is at the same level, at the municipal level, for instance, as opposed to being split?

Ms Swift: We actually have a relatively old member vote on that issue, which did indeed favour more local government accountability for both revenue-raising and service delivery. We would like to get a current read on that issue among our members because of course times have changed a lot. They have seen themselves hit very hard at the municipal level over the past five to 10 years in Ontario, by and large; obviously there are big differences among the municipalities, so we don't want to tar everybody with the same brush. Some have managed to contain expenditures, which we feel is just more proof that it can be done.

Although we do, as I say, have an old read on that, I think we're just a little wary of using that in the current context.

Mr Sampson: But it would seem to me that the small business community would feel far more comfortable holding accountable a local level of government than a provincial level of government, where the funding and the service delivery could be split between even levels as opposed to departments within the same level. It would seem to me that they would feel far more comfortable with that idea.

Ms Swift: There's probably some evidence to suggest that, but the problem at the moment is that you can support principles, but the way it ends up getting manifested in practice is often pretty punitive. Right now, not just small businesses but I think most Ontarians feel taxed to the limit. There's just no trust, no confidence that municipalities won't hose them just as much as other levels of government have, since they have in the past.

If you go to a more fee-based system, perhaps that's fine if there's a reasonable reflection of costs and so on, but continuing to up the ante overall is just not on. We're already over the top in the cost and tax area and we just don't think there's scope for many more increases.

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Mr Hardeman: You mentioned the issue of licensing and your concerns with licensing. Presently under the licensing structure for a municipal government it's fairly well defined to the extent that a bakery licence can be $1. In your submission you do not seem to indicate any objection to the licensing being set in such a way that it is a total cost recovery for the service being provided.

Ms Swift: That's true, if there's a reasonable reflection of costs. But experience has shown that things have not been, when it's been fees or whatever. We feel that if there's proper accounting and a reasonable reflection of what the service is costing, our members are very much in favour of that kind of system. It makes sense.

Mr Hardeman: The other issue you brought up was the issue of user fees, that when a new user fee is applied, it should reflect a decrease in the taxation. Would that apply to the fact that the municipalities are presently going to receive considerably less money from the province? Is it your submission that some of that could be made up with user fees or do you think they should find all that in other areas and that the user fees should offset total decreases in the municipal property tax?

Ms Andrew: We believe that if the municipalities are experiencing reductions in their transfers, they need to look within and find ways to cut their costs in order to absorb that. This is one level of government that really hasn't done very much in this area and we think that's where they should first look in order to absorb the reduced transfers. If they think a fee-based system is more appropriate to more closely charge the people who are using particular services, that's fine, but it shouldn't be an additional revenue source for them. They should be reducing taxes overall concomitant with the introduction of fees.

Mr Phillips: I appreciate the brief of CFIB. I have a lot of respect for your organization, as I think you know, and the advice it provides to the government.

Your brief is not unlike what we've heard from some other business groups; that is, you think you really like the bill, but when you get into the detail, you start to raise some significant concerns. I just want to raise two or three.

The board of trade advice to us was that the corporate tax act, which is schedule B, should be withdrawn. They said that now they've had a chance to look at it, there are economic implications which could be adverse for business. The board recommends that amendments to sections 1, 2, 3 and 5 of the Corporations Tax Act and the enactment of section 74.2 be withdrawn from the bill and covered by separate legislation.

Has the CFIB had an opportunity to look at that section of the bill? What advice do you have for us?

Ms Swift: We did. We saw the board of trade's submission, as well as looking at that part of the bill, and nothing leapt out at us immediately. In a perfect world one would want to have more time for just about everything, and I don't think this bill is really any exception in that regard.

Mr Phillips: So you don't share their concerns—

Ms Swift: I don't think we have the same concerns as the board of trade does on that item.

Mr Phillips: Okay, I appreciate that.

On the fees and the charges, Mayor McCallion told us the other day that she has a legal opinion indicating that a local sales tax is permissible under the bill, as is a local gas tax. She went on to say that she rather welcomed that, because the municipalities in the greater Metro Toronto area had looked at integrated transit, "and we discussed it, all the municipalities, and the only way we could do that was with a gasoline tax." She went on to indicate that she was quite pleased with the bill because now it would permit a gas tax and perhaps that would be the solution to integrated transit.

If indeed the bill does permit the introduction of a gas tax, would the CFIB find that acceptable or would you feel that that had to be amended to specifically exclude something like that?

Ms Swift: I heard that as well, that there was this legal opinion out there. That would be a problem for us for a number of reasons. For one thing, as far as sales tax goes, we have enough of a mess right now with two sales taxes in this province, and we feel adding a third would be supremely messy. We simply don't need any more inefficiency-introducing measures in our tax system than we've already got. We've already got plenty. The same would be extended to a gas tax. Again, I don't know the legalities and exactly how this will be resolved, but I very much believe that those should be excluded by whatever means from municipalities' purview.

Mr Phillips: The licensing portion of the bill also is quite sweeping, by design, I think. I think the intent of the bill is to give the municipalities unlimited flexibility, I think they called it. The licensing powers are quite sweeping, and there's even a section in here that says, "If there is a conflict between a provision in this part and a provision of any other section of this act or any other act, the section that is less restrictive of a local municipality's power prevails."

In other words, if there's any dispute around licensing, this act prevails over any other act. It does look like it gives quite sweeping powers to impose licensing that could even be—the licence could be geared to the sales in the business or geared to something beyond just a fixed licence fee. If that were the case, would you feel the bill is acceptable?

Ms Swift: We spent some time on licensing in our brief, because the way we read it, we also felt it was too sweeping. One of our concerns that arose was that fairly precise arrangements could be required of, say, one business and not of other businesses that were in the same class of business and the same area etc. The arbitrariness was something we were concerned about in the licensing, and we did mention that at some length in our brief. Yes, we had a problem with the licensing.

Ms Andrew: In terms of the ability to turn a licence into a revenue-raising effort, we go on the same principle as the fees: It's got to be concomitant with the service received. A licence of $10,000, for example, would be completely unreasonable.

The Chair: I want to thank you on behalf of the committee for coming down this afternoon to make a presentation.

METRO TORONTO COALITION FOR BETTER CHILD CARE

The Chair: Could I please have some members from the Metro Toronto Coalition for Better Child Care come forward. Good afternoon and welcome to the committee. You have 30 minutes to make a presentation, which you

can use as you see fit. You may decide to leave time for questions. Please read your name and organization into the record before you begin for the benefit of the members and Hansard.

Ms Katheryne Schulz: My name is Katheryne Schulz. I'm here on behalf of the Metro Toronto Coalition for Better Child Care. The Metro Toronto Coalition for Better Child Care represents a network of over 400 non-profit child care programs in Metro Toronto.

I would like to thank the committee for the opportunity to speak this afternoon and I would also like to commend the actions of the opposition parties in advocating for the right of citizens to make public their views regarding Bill 26.

Just to digress from my brief for a moment, I'd like to ask for the committee's indulgence if I seem a little distracted. In fact, before I came here this afternoon, I got a call from my partner at work, who told me that our informal caregiver was not at home when my eight-year-old arrived home from school, so she ended up being in the house by herself. Fortunately, my partner was able to leave work early and go home to be with my child. But of course if I were a single parent I would not be appearing this afternoon as a result of this.

1630

This bill that we're addressing will directly impact families and children in Metro Toronto. I want to make three points, because I know that you've already heard from the Ontario Coalition for Better Child Care on this bill, and there are some things that we have to say that are similar. I want to take you through the impact of this bill on Metro specifically. I also want to talk about an application that Metro has made through strategic initiatives with the federal government, so I will be going over that as well.

As you know, there have been a number of cuts to child care since the July 21 economic statement, and we outline those in our brief. I'm sure you're familiar with them already. One of the key issues in terms of the Metro region is the 47% cut to municipalities which is contained in the bill.

For those of you who are not familiar with the services that Metro provides, Metro administers 54 directly operated programs, 22,000 subsidies and 27,000 spaces overall to Metro's families. Currently there are 25,000 families who are eligible for child care but are on the waiting list to get care. My family is one of those. A child care subsidy for those families would enable them to go to work, essentially. A lot of people are waiting for child care subsidies to go to work, to engage in retraining or to go back to school to upgrade their skills.

For people who are not also aware that parent fees make up a substantial portion of child care funding in Metro, I'd just like to point out that fact: 5,000 spaces in Metro's child care system are full-fee, and Metro's subsidized parents pay over $19.1 million in user fees. That's a significant contribution.

Metro is the largest supplier of child care in the province, because the municipality has recognized the economic benefits of child care, and it's been quite supportive in ensuring that as much regulated, high-quality child care as possible is available to families.

In addition, Metro has implemented a task force on services to young children and families. It's a political steering committee which is examining ways for governments to work together to serve children. The task force was partly implemented because of the provincial picture at this point. People are realizing that reorganization is going to have to take place if Metro's families are going to continue to be served.

At the same time, however, Metro is undertaking a priority-setting exercise to determine which services it will continue to fund. What the children's services department has been asked to do is to provide a 25% reduction scenario for child care. This would mean a loss of 8,621 child care spaces, not including Jobs Ontario child care spaces in Metro, which are currently slated to wind up as of December 31. That's about 3,580 spaces as well. Given that there are 22,000 subsidies, the total number of subsidies at risk represent half of the child care subsidies in Metro.

Another point to also realize as well is that because there are so many employers in Metro, these subsidies and these spaces don't necessarily just serve families within Metro. In some cases, people are trying to put their child care close to their work, so in some cases that's also a factor. So they serve beyond Metro.

This bill and these cuts, as I said, mean a loss of about 8,000 child care spaces. Again, this is not the first instance. I know that one of the questions that was raised previously with the Ontario Coalition for Better Child Care was, if municipalities support child care, they'll make it a priority and therefore continue to fund it. In fact, Metro has always made child care a priority, or it's tried to protect child care services, but they haven't managed to do it, particularly with regard to Jobs Ontario. So we're not hopeful about the future of some of the subsidies in the regular system.

In 1996, Metro could lose almost half of its subsidized system—that's the total, 11,000—and there is no doubt that child care in Metro will be devastated. A cut of 47% to municipalities will force even supportive local governments to amputate child care services. Bill 26 includes the municipal support program, which provides for municipal flexibility in the delivery of programs. When the cuts are coupled with the municipal support program, there is additional cause for concern.

The additional cause for concern refers to one of the working documents of this government, which outlines a proposal to scrap the subsidy system and replace it with a targeted voucher system. That, coupled with the review that's been announced, is a cause for serious concern because we're worried that the province will give municipalities like Metro the option to replace regulated child care with low-cost vouchers. I have a copy of the document for those who are not familiar with it. The end result of this is that you will see a situation where regulated quality child care is replaced with unregulated child care, which is not the most reliable form of child care, as my situation this afternoon demonstrates.

I'd like just to move on to this issue of federal funding. In response to the provincial picture, and I think you have this in front of you, Metro Chair Alan Tonks wrote a letter to the federal government applying for assistance

under the strategic initiatives program, which is a program that was set up for people who could apply to find innovative new ways of providing social services in an atmosphere of economic restraint.

Does everyone have this? It should have been handed out to you as an appendix.

The Chair: Yes, we do have that.

Ms Schulz: What I want to make clear to the committee today is that it's my understanding at this point that the federal government is prepared to go ahead with this proposal. It doesn't require any provincial contribution at all. It will bring about $36 million to Metro. What's basically barring this agreement from happening—because we have agreement at Metro and we have it from the federal government—from going ahead, is the provincial government saying that it's fine with them.

That's a lot of money. As I said, it could save child care services in Metro Toronto. It will certainly lead to improved efficiency and better services.

So my question to the committee today is whether members of the government are willing to go ahead with this proposal and okay it so that families in Metro aren't in the kind of panic situation we're all in now with the cuts looming here.

I think that's basically the end of my comments. Are there any questions?

The Chair: We'll have six minutes per caucus for questions. We'll start off with the government caucus.

1640

Mrs Janet Ecker (Durham West): Thank you very much for coming today. I think your concern about quality child care is quite evident, and that is indeed why the province is undertaking a child care review, because there is no intention on the part of this government to replace good quality care with bad quality day care.

There are two points that I think are important to get on the record here, because you are, if I may say with all due respect, in error.

There is no government policy document which says we are going to dismantle the system. There have been no decisions made. The government is reviewing the child care policy. That is not the policy of the government and I know that the coalition has been advised of that. I am very unhappy that many of the parents are continually being told that this is indeed the policy and that it's happening next week or next month or tomorrow or whatever, and it's causing a great deal of concern within the community which I think is not justified.

We are reviewing the system, as I said, and the reason we need to review the system is because we have to make sure that the resources—we're spending up to $549 million in child care in Ontario—are dedicated to those most in need, that they're going to support parental choice. We believe that we need good quality day care and we also believe that we need to balance the private versus the non-profit sector and not do what has happened previously, where there was $50 million spent to convert from private sector to non-profit sector day care without creating one additional child care space, which I think you will agree, given the need for child care spaces, was not an appropriate use of taxpayers' money.

The second issue that I think is important to raise is Mr Axworthy's so-called offer to the provinces. I really do wish it were that simple, that we just had to sign up and receive money, but unfortunately, despite repeated attempts of Mr Axworthy, we do not have details as to what is going to happen with this money, where it's coming from, what it's coming for. Given the fact that they're already taking $2 billion out of transfer payments to Ontario, the claim that this is new money I think is a little facetious. We are quite interested in working with Mr Axworthy. We're hoping to meet with him in the new year to discuss how we can work together to preserve good child care, as we've met with Metro to do the same thing.

I did think it was important to get those two things on the record.

What I would be interested in, given the fact that we are in a period of economic restraint, given the fact that we do need child care options for parents that both parents can afford and the taxpayers can afford, I wondered if you had any advice or assistance to offer us as to how we can continue to provide child care spaces for parents in Ontario.

Ms Schulz: There was a lot in that, so I'm just keeping track.

Mrs Ecker: Yes, sorry. I didn't mean to put you on the spot.

Ms Schulz: First of all, in response to your comments about the voucher working document, I just wanted a little clarification: What you're saying is that MCSS staff put together a paper on a proposed voucher system without the knowledge of the minister?

Mrs Ecker: I have no idea where the document came from. All I can tell you is that it was not a document that was prepared at the direction of the minister, the direction of the deputy or the direction of myself, who is leading the child care review. None of us had seen it. It had not gone through any policy process that any of us are aware of.

I don't know where the Toronto Star gets its information, and that's fine; they do what they can do, but I can tell you that it is not the policy position of this government. That's one of the reasons we're doing the child care review. One of the reasons we've put together a working group, one of the reasons I am consulting with many of the child care providers out there, is to see how we can continue to have good quality child care options for parents.

Ms Schulz: So you're not considering vouchers.

Mrs Ecker: We are looking at everything that is on the table in terms of how we can provide a child care system.

Mr Cooke: Who put "voucher" on the table, then?

Mrs Ecker: The Toronto Star put "voucher" on the table. It certainly wasn't me and it certainly wasn't the minister.

The Chair: It's the government caucus's six minutes, please, of which two are remaining.

Ms Schulz: That would be our request: Without getting into the chronology of events, I think the issue here is if the government is not considering a voucher system, then the government should say so. In terms of—

Mrs Ecker: I said we're interested in all options and advice from individuals such as yourself.

Ms Schulz: In terms of parental choice, we would also appreciate an assurance from this government that parental choice includes non-profit, regulated child care. I'd also like to offer some clarification around your comments about the red book. In fact, I'm not in error. What you're referring to are federal child care dollars that were offered into the red book.

Mrs Ecker: No.

Ms Schulz: The strategic initiatives fund is a distinct fund Metro applied for. It will not cost the province a nickel. The money and the agreement are strictly between the federal government and Metro—as long as we're clear about which pot of money we're talking about here.

Mrs Ecker: No. I'm very clear. I quite understand what's happening. Mr Axworthy has not agreed to make individuals deal with Metro on their own, and Mr Axworthy's officials have been very clear that they cannot provide us with details as to what money Mr Axworthy has been talking about recently. I'm not referring to the red book; I'm referring to Mr Axworthy's press conference of several days ago. We'd be very happy to talk to him about more money for child care in Ontario.

The Chair: I'm sorry to interrupt. You may be able to conduct that further at another time. We have the turn of the members of the opposition. Mr Colle.

Mr Mike Colle (Oakwood): Ms Schulz, I guess the comment I have is that again we see where the government spokesperson is blaming the press for putting things on the table. Every time they're given an opportunity to basically take the questions about voucher off the table, they're refusing to do that, because it's pretty clear that's one of the so-called solutions they have to the day care crisis, that they want to look at this as one of their so-called tools. If they had problems with the voucher system they would obviously take it out, and again they've lost another opportunity to put to rest the speculation, as they've said, that the media has created about the voucher system. So again and again, when they ever got the opportunity to take it off the table, they refuse, because we know that this is one of the so-called instruments they're going to use.

The question I have for you is that in the House, the Premier—inside the House and outside of the House they've made these references to the fact that people have to look at solutions in their own neighbourhoods and streets and their family and churches, and that what they should look at is maybe finding neighbours that their children can stay with, relatives, local volunteer organizations I guess related to church and so forth. What is the reality of those solutions in downtown Toronto, for instance? Can this work as part of the solution to good child care in an urban setting?

Ms Schulz: I think it's been made fairly clear in terms of response from both parents in urban settings and also parents in rural settings that this is not actually a feasible option for people. In most cases, your friend or your neighbour should theoretically be at work as well, right? So they're not available. There's been some discussion about grandparents and so on, and everything that I've heard from both seniors' organizations, the rural child care committee and parents in Metro—and I've been to a number of community meetings—suggests to me that this is not an option for people. In a lot of cases parents tell me their relatives don't even live near them, so they're not available.

In terms of urban settings also, many people don't even know their neighbours. So you're asking people to put their children in the hands of someone they're not even acquainted with and go on faith that that person will be taking care of their child in a reasonable and adequate and responsible manner. But there's no reason to think that's the case. I mean, that's the danger of unregulated child care, that you don't have any idea what quality care your child is getting.

Mr Colle: The other sort of follow-up is, in terms of this crisis that is developing in the availability of child care spaces, what impact is it having on people's ability to earn a living and ability to cope with the stresses and pressures of trying to pay bills and raise a family? Have you noticed any fallout that is of direct impact on people's lives? I'm talking about some tangible impacts that you've seen in recent months with the basically near collapse, or certainly imminent collapse, it seems, of good child care.

Ms Schulz: I wouldn't want to be overly anecdotal except to say that one of the great difficulties we're having, being one of the few organizations—because the government is not tracking the impact of these cuts. That's been left to organizations such as ours. And because the cuts have been done in an indirect fashion, there's a time lag between when a cut is implemented and what you find out later about what happened, which we're not getting, again, any assistance with from the government.

At this point all I can say is that I think the 25,000 people sitting on a subsidy waiting list are under a great deal of stress. I know that when Jobs Ontario child care subsidies were on the table at Metro earlier this year, there was certainly a huge momentum from parents who were receiving those subsidies, and in Metro it's particularly difficult to know who is receiving them because they've been rolled into the regular subsidy system.

Certainly, we had calls and letters and parents at every community meeting I went to saying they couldn't continue to work, they couldn't continue to go to school, they couldn't continue to do training if they didn't have their child care subsidy. That was working parents as well as parents on social assistance. Parents on social assistance were also quite devastated, because in addition to taking a 21% cut in their income, they were now looking at the loss of their child care as well.

1650

What I'm hearing from middle-income parents is, "If public funding is removed from child care, I'm making a large contribution already because I choose regulated quality child care," and many families are telling me, "We simply can't afford to pay additional money if public funding is removed."

Mr Cooke: I agree with you that the provincial government should actively pursue federal options and anything that Mr Axworthy might be offering. I must say, from my previous role and being at a number of meetings over the years with Mr Axworthy, it's not always easy to

pin him down from the rhetoric that he might use in a press conference and what he actually means when it comes to implementation, but I don't think that's particularly new to you or members of the Ontario coalition either. So I have a very little bit of sympathy for the government and the minister trying to pin Mr Axworthy down on whether this is new money, whether this is ongoing money, and what it all means after the announcement was made a couple of weeks ago.

Ms Schulz: Can I just clarify something? Again, we keep referring back to this press conference, but that was a press conference about red book dollars. It was not a press conference about strategic initiative funding. The proposal I'm discussing right now is very specific. It's between Metro and the federal government. It's not a general discussion; it's a very specific proposal for streamlining child care services in Metro Toronto. My understanding is a letter is on its way to Alan Tonks approving this money, and that's why I'm asking this committee, and particularly why I was asking the government members—

Mrs Ecker: That didn't approve it. It came, but it didn't approve it.

Mr Cooke: In any case, I'm not here to defend the government by any stretch, but I also know that some of the strategic money that Mr Axworthy floats up in the air is three-year money that floats away at the end of the three years, so you have to be careful with that too.

I want to spend a little bit of time, because I think I understand what the voucher system is, and I certainly know you understand what it is, but I'm not sure that everybody else does. I think this is an opportunity, because we all get to using in-house language and people don't necessarily understand why it's so dangerous, especially when language like "parental choice" is used, which is the same kind of language that President Bush used to use when he was talking about parental choice for charter schools and a voucher system for education in the United States. So maybe you can just expand a bit about what the voucher system is and why it really does not improve choice.

Ms Schulz: A voucher system for child care is a way of targeting public funding directly to parents in the form literally of a voucher which parents can then take and use to "purchase" child care. Unfortunately, vouchers, generally speaking, are not—the dollar amount that was referred to in this working document was half of the cost of regulated child care on a monthly basis.

Mr Cooke: Which would be?

Ms Schulz: Approximately $700, but of course that depends on age groups as well and what region of the province you're in. So this voucher proposal was definitely going to go to parents who could only use it—unless they could top it up in some manner. The criteria that were outlined looked very strict and looked like they were criteria that wouldn't allow, for example, middle-income parents who could top up a voucher to use it. It looked like it was targeted more to people on social assistance. So those people would not have the money to top up the voucher. That means they would have $350 a month for their child care and they'd have to go out and get someone in their neighbourhood or a babysitter to use the voucher.

I'm sitting on a subsidy waiting list right now and I currently have a babysitter. Obviously, as you heard before, I'm not happy, and I'm currently paying about $600 a month. So $350—

Mr Cooke: Would not do it.

Ms Schulz: It's not going to cut it.

Mr Cooke: So if we went to a voucher system, the implications for the regulated child care system in the province would be what?

Ms Schulz: It would close down. You'd be removing public funding from the regular subsidy system and putting it into a voucher, so the regulated system would close down, with the exception of probably a very few programs in affluent neighbourhoods that might be able to stay alive, but not many.

Mr Cooke: The number of spaces in Metro again on the Jobs Ontario: That was extended till the end of this year, so another week or two, correct?

Ms Schulz: Yes.

Mr Cooke: The number of spaces again?

Ms Schulz: It's approximately 3,580.

Mr Cooke: Those spaces now are guaranteed just till the end of this calendar year.

Ms Schulz: Yes. What we're talking about in terms of losses are the JOT subsidies, which are 3,580, and then you're talking about the other cut because of this 47% cut to municipal transfer payments. So you're talking about another loss of about 8,621.

Mr Cooke: So very early in the new year, perhaps right on January 1, those spots or a good portion of those spots will be gone to the Metropolitan Toronto system.

Ms Schulz: That's right.

Mr Cooke: Do we know at this point what those parents are going to do?

Ms Schulz: I'm assuming, depending on what situation they're in—in order to access a subsidy, you have to be working or engaged in retraining or upgrading your education. You can't get it otherwise. So they'll leave. They'll leave their jobs, they'll leave their retraining or education, and they'll be stuck at home.

Mr Cooke: So we could see more people going back on social assistance because of lack of access.

Ms Schulz: Oh, yes. You'll just pay all over again but you'll pay it to someone to stay at home rather than—incidentally, it's more expensive to pay for someone to stay at home on social assistance than it is to pay for their child care.

The Chair: Thank you for coming forward today to make your presentation to the committee.

Before we break for the dinner hour, I have two announcements. The first is that the full subcommittee will have a meeting in committee room 1 at 5 pm, Mr Phillips, and the other 5 o'clock arrangements remain the same as the previous evening's.

Mr Phillips: Committee room 1 at 6, is that right?

The Chair: The full subcommittee meeting in committee room 1 at 5.

Interjections.

Clerk of the Committee (Ms Lynn Mellor): I think I misspoke myself when I told you 6.

The Chair: It's at 5. We'll recess until 6 o'clock.

The subcommittee recessed from 1657 to 1800.

The Chair: Good evening, ladies and gentlemen.

Mr Phillips: Mr Chair, just before you begin, I just wanted to announce that as per the request from Mr Silipo, the subcommittee met today. I want to report that the subcommittee will be requesting the appropriate cabinet ministers to appear at the start of clause-by-clause to give an explanation of any significant amendments they'll be proposing. So that's on the Monday, whatever that date is—January 22. That was per Mr Silipo's request.

The Chair: That clears up everything. I'll give you an update, Mr Silipo: A letter from Minister Leach's office is expected tomorrow; the privacy commissioner, we have that document, your caucus has been given a copy of it—I believe Mr Cooke has that; and the final one is the Minister of Labour's speech which we're attempting to get hold of from another presenter last night who asked about that.

Mr Tony Silipo (Dovercourt): I appreciate that update very much. Thank you. I'm not sure if what's been worked out through the subcommittee actually addresses necessarily the concern I raised last night, because I don't know—I hope—that there will be amendments from the Minister of Labour around pay equity, but I don't know that there will be. I'm assuming that under that arrangement, if there aren't going to be amendments, we won't see the minister here. That still remains a concern, but maybe I should just pursue that through the subcommittee.

HANOCH BORDAN

The Chair: Can I have Mr Hanoch Bordan please come forward. Good evening, Mr Bordan, and welcome to our committee. Thank you for being patient as we cleared up some of that housekeeping matter. You have one half-hour tonight to make your presentation. You can use that time as you see fit. Most people leave 10 minutes or so for questions at the end of their presentation. I would ask that you read your own name into the record for committee members and Hansard and perhaps, if you represent an organization, you can do that. If not, that's fine.

Mr Hanoch Bordan: Thank you very much for allowing me to come here today. My name is Hanoch Bordan. I come here representing myself only, but I come here as a concerned citizen. I find this legislation very disturbing and I've come here to urge the government and your legislative representatives to reconsider the approach of this legislation. I've come to urge the government to be truly conservative in its approach to Bill 26. The bill is radical and, in my view, is not in conformity with what I see to be conservative philosophy.

The Conservatives ruled Ontario for many years, but they weren't radical. They governed as they were elected to do, and as this government was elected to do, but they did so within established parliamentary traditions. They stuck to the rules. They were conservative in the best meaning of the word; that is, conserving the best of the past. Our democratic government needs both approaches, both to conserve the past—our parliamentary traditions, our conservative parliamentary traditions—and a liberal approach to change things when we need change.

No one denies that the present government was elected fairly and has to govern. It has a duty to govern and a responsibility to govern. But this bill, in my view, goes beyond what democracy requires, what parliamentary tradition demands and what conservative philosophy teaches us. Let me explain what I mean.

In parliamentary tradition—and I don't mean to be lecturing you; I'm just giving you my opinion—there is a time and a place for emergency legislation. A war starts, an earthquake, a famine—all kinds of disasters can happen—and then the government is called upon to do something and the Legislature may be called upon to pass emergency legislation. This clearly is not one of those times. If we have any problems, fiscal problems, they've been around with us for a long time, and they're going to be around with us for a long time. There is none of this pressing emergency.

A bill that makes such major changes needs to be considered carefully by experienced legislators, which you are, but you don't have time in this particular case. I would argue even that it's in the government's best interest that its legislation be subject to scrutiny. Every government knows this. That is the parliamentary tradition, that is the concept of the loyal opposition that we all know. You have all been in opposition at some time or other, and you know what an important role you fulfil. If you're not given this role to fulfil, then we might as well abandon the Legislature.

I would say there is no emergency now and no reason for this type of emergency legislation with these short deadlines, because there really isn't time. I really wonder how many members of the Legislature have had time to read the entire bill fully and consider its many ramifications—and you are experienced people—let alone the public, which doesn't have this experience to look at it. Surely the Legislature exists and the opposition exists and backbenchers of the government exist so that proposed legislation should be studied carefully and all its implications assessed.

In my view, the government has not made any case for proceeding with this bill on an emergency basis. Proceeding in haste, without giving a convincing explanation, clearly violates conservative philosophy. They may be perfectly legal in what they do, but I don't think it is proper.

Also, another factor, Bill 26 gives too much power to the cabinet. It is a principle of parliamentary government that the cabinet has the right to govern, but within certain limits. The Legislature gives the power to ministers to carry out routine tasks, but the power relates to the Legislature. If the Legislature gives all the power to the cabinet ministers, then it might as well close down the building and you may very well go home. There is no role for the MPPs if the cabinet makes all the decisions.

Would any conservative want that? Would anyone want to do away with MPPs? If you have no decision to make, what are you going to do? Surely, major decisions must remain with the Legislature. This has nothing to do with right or wrong or the merits of the case. There may be some very good merits in this bill, there may not, but

we don't have time to consider it. What we do know is that it's giving too much power to the cabinet, in my view.

Again, it is called an omnibus bill, but it's not a true omnibus bill, in my view. It is a wrong use of an omnibus bill. In parliamentary tradition, an omnibus bill is used to change a number of things, a number of routine things in a vast number of bills. For instance, if it says "he" in 47 statutes and we want to change it to "he or she," we have an omnibus bill saying we will change "he" to "he or she" in all 47 statutes. This is a bill of a routine nature, a simple thing which all MPPs can agree to and say, "Very well, we don't need committee hearings on this because everyone agrees we want to change 'he' to 'he or she'." Bill 26 doesn't meet this test and it is thus not in the spirit of good conservative parliamentary government.

As a final word I would say to the government, to the members of the government party, imagine five years from now—I'm not wishing you anything, but imagine five years from now you're in opposition. Would you want the cabinet to have the kind of power that is given in this particular bill? I would say to the government—and you people have far more influence with the government than I do, and maybe someone here has the Premier's ear—you won the election, you have the right to govern, but you have been poorly advised. Stick to the rules. Be conservative. Govern, but don't abuse your power. That's the lesson of parliamentary democracy and that is true conservatism.

1810

The Chair: Thank you, sir. We've got six minutes per caucus. We'll start off with the opposition caucus.

Mr Phillips: I appreciate your thoughtful presentation. You obviously spent a good deal of time thinking about these issues. I just want to comment on a couple of your comments, firstly about it not being an omnibus bill. I agree with you on that.

I would just say to the government members, you often use Bill 175 as your model. You say, "Well, the NDP did this on Bill 175." You should be aware that Bill 175 was very different from this. Here's what I said in the debate on Bill 175, and this was in November 1994:

"I'm pleased to join the debate on Bill 175 and to say I guess at the outset that I think this is a useful process. The members are all aware that what this is, to use our jargon, is an omnibus bill that is designed to handle a whole bunch of housekeeping items and avoid the Legislature having to open 30 or 40 different bills and to debate each of those bills. I think in a rapidly changing environment where technology, among other things, is changing as quickly as it is, this is a useful process and one that we can be supportive of."

Then I went on to say about Bill 175, the NDP bill:

"As members may recall, the bill was introduced in the spring"—it was originally introduced in June—"and I didn't think there was enough time in the limited time in the spring for all of us to get input from interested parties, so it was delayed until the fall." The NDP government agreed to simply delay it until the fall. "I think that was a useful process and I think we can support an omnibus bill like this, one that speeds up the process, one that deals with, as the preamble says, non-controversial matters, and one that can save the public money. They're all good ideas. So I have no difficulty with the process, and in future years this government or a new government will probably want to employ a similar technique to be as efficient as we can in keeping the legislative bills in the province up to date. So the process is fine."

That's what I said about Bill 175, which was an omnibus bill, I believe, essentially in the true interest of an omnibus bill.

There has not been one presentation to us, even people who superficially support the bill, that has not said, "We have not had time to study the bill." Even the ones who support the bill, except perhaps the mining association, but everybody else, all the business groups, have said, "We have major concerns about components of this bill and we have not had time to study it." Two of the best business groups I know, the CFIB and the board of trade, in terms of knowledgeable people, have both said, "We just simply have not had time to study the bill."

I think you make a good point that there's no emergency. This bill was introduced three weeks ago, November 29, and it would have been law just as you were beginning to speak. At 6 o'clock today, this would have been law. My point was always, if the government believed that the $1 million an hour was just so crucial that it had to be dealt with by this time—you've now been in office for six months—I don't know why it took you until November 29 to put forward those emergency matters that you felt had to be dealt with by the end of the year. I think the reason it came in this form is because you thought you could get a whole bunch of things through without scrutiny.

I guess, sir, I'm more thanking you for pointing out the problems with the bill in terms of it not being a true omnibus bill. I've certainly learned that things go around and you should, when you're passing legislation, make the assumption you may be in opposition when that legislation is going to be used against you. I've been there and Mr Silipo's been there and I dare say at some stage you'll be there. So I appreciate your comment. I think my colleague had a question.

Mr Crozier: I'll just be able to make a comment. You've opened up an area, Mr Bordan, in your comments. I've only been here two years; I was elected in a by-election and re-elected this last time. Successive governments have amended the standing orders so that it limits debate. As each government has changed, because it doesn't like what the opposition's doing, debate has been limited, to the point where we now can have closure with very limited debate.

So your points here are well taken. I think they relate to that. Those of us who were elected to come down here and speak on behalf of our constituents sometimes are limited, but as you say, all governments will have to live under those rules some day, so they should take thought to it.

Mr Bordan: I would add that that was also a mistake, in my view, whether it was an NDP government or a Liberal government or a Conservative government. If they do wrong, then they done wrong.

Mr Silipo: Mr Bordan, like my Liberal colleagues, I too appreciate very much the comments that you've made. I hope your comments strike a chord with the government members, because I think you've addressed in the process issues here very much the issues that have driven us to take the steps that we have taken as an opposition.

We believed this bill is so fundamental in terms of the major changes, as you yourself indicate, it puts forward and the way it significantly alters a variety of things. It gives powers to municipalities to tax in a broad way, in a way in which there's even at this point still some dispute about exactly how broad. But even as group after group comes in front of us, we point out to them, "Are you aware that it says this or it's able to do this?" and they say, "Well, no. If it does that, then we're not sure that we're so much in favour of this bill," or "We'd have concerns, at the very least," or "We should take some more time and take a look at it and reflect upon it."

Maybe if I could ask you one question it would be, what is your sense—because I could reiterate a lot of the same points you have here—about what it is that is driving this government to separate itself from that conservative philosophy and approach that you point to in your brief and that you've spoken about that has characterized certainly even previous Conservative governments and to act in this way?

Mr Bordan: I might be wrong, but I cannot conceive of a government of Leslie Frost or John Robarts or Bill Davis acting in this way.

You ask me what I think motivates the Conservative government. I think they are men of goodwill who are, in an excess of zeal, trying to do things they think are right. I feel it is unfortunate and that they should look to their tradition and back off a little bit, because they may do this province and themselves irreparable harm if they proceed.

I don't deny their goodwill and their right to govern as they see fit within the parliamentary tradition. I'm saying that taking these powers is going, in my view, a little bit beyond it.

Mr Silipo: We've tried in a variety of ways to point out to the government members that we too acknowledge that they won the election on June 8 and that they have the right at the end of the day to pass whatever laws they as a government deem to be in the best interests of the province, and that we're not here to stifle their ability to do that.

But what we have been trying to do is to also point out to them, as you point out, that there is a parliamentary tradition and a process that is part of the parliamentary, democratic system that we live under, and that when there are issues of such importance as those that are covered in this bill, that involves debate, involves an ability of the public and, as you've pointed out, even of the legislators themselves to fully understand what it is we're talking about.

We've had more than one example of not just government backbenchers but indeed cabinet ministers being not as sure as one would expect them to be about the provisions of the bill that they are responsible for. Obviously, in the cut and thrust of the partisanship here, we take those issues and we embellish them to the point of saying, "This is what's going on here."

But to just sort of stand back from that, what strikes me most about your presentation is the calm of it, if I can say that, and the fact that I think you've struck, I hope, a chord, and not just with us on this side, because one would argue that it's easier to do that when you're in opposition, to be supportive of the parliamentary process, but I think the test also lies in what governments do.

There was Mr Phillips's reference back to Bill 175, which I know government members have used in the past to say, "The NDP passed omnibus legislation." Of course we did, but I think the question is the difference between what a bill like Bill 175 did, which was largely housekeeping—although there were some substantive issues in it and again even there allowed for a deferral to the next session of the Parliament for exactly the reasons that we're talking about here: for there to be more time.

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I guess really I'm not sure I have any other question of you, other than to ask of you, what more can we do—we on this side, you as a member of the public—to impress upon this government that the process of debate and understanding the changes we're making are as significant as the changes themselves that we want to make?

Mr Bordan: I think the only thing we can do, and what I'm trying to do, is to try and communicate with the Conservative members of the Legislature, who are all people of goodwill, I'm sure, and to try to tell them that my opposition is not because I'm a member of an opposition political party—because I'm not; I'm an independent—but that in my view this goes against the whole grain of what has made Ontario such a wonderful place to live, and I have certain apprehensions about that. I would say that.

Mr Young: Thank you very much for an excellent presentation. I really appreciate what you're saying. I do have a question, though, with regard to your comments on a former Conservative government.

I think you may agree that we're in an extraordinary time, and extraordinary times need extraordinary measures. The member opposite was talking about the timing of the bill. I think the bill was introduced now because we have to make change happen as quickly as possible. We're spending, in this government, $1 million an hour on interest and it's growing. Frankly, it took the bureaucrats that long to write it. It's a big bill, so it took them that long to write it and bring it to the Legislature. So that's what I think explains the timing.

The ministers get powers to make things happen with the municipalities or hospital boards or school boards if the change isn't happening. The Toronto district health council has said that we should close 10 or 11 or 12 hospitals in Toronto because we're financing bricks and mortar. What I'm wondering is, what hospital board is going to say: "Okay, we'll be the one that closes"? That's not their mandate. A hospital board is mandated to do something different, so that's a very difficult thing to have happen.

We have 168 school boards in Ontario. What school board is going to say: "Well, we'll amalgamate, we'll give up our jobs," or any of the institutions that may not

be financially viable or may not be serving the people with as direct a form of democracy as we wish they would? How is that going to happen unless there's someone there to make it happen?

Mr Bordan: Okay, it's a fair question. I would say, though, just to begin with, that I agree with you that these are difficult times and tough times. I'm not sure they're necessarily extraordinary times. I think radical measures are necessary.

For instance, in Britain at the time of the Battle of Britain during the war, Parliament made all kinds of laws that it wouldn't have made otherwise. But these aren't that kind of extraordinary times. They're difficult times. It's a tough time, yes, but if we've been losing this money—we have to maintain our parliamentary traditions or we're also going to get very bad laws, and if we get bad laws, it's worse than having no law at all, because people are hurt by them.

Of course, it may be necessary for the Health minister or certain health councils to have certain extraordinary powers, but I would suggest that this would be better dealt with in a special bill dealing with health. In other words, I think this omnibus bill should be broken up into several significant parts, and then we could deal with this.

I would say even though it might be necessary for someone to be given certain dictatorial powers, and I use that word advisedly, there should be some kind of appeal process, because we all know that many of these decisions are made not by ministers but often by bureaucrats and many people get hurt in the process, not through anyone's wanting them to get hurt but because of the system.

Mr Young: Would it address your concerns if parts of the bill had a sunset clause? In other words, this bill is an active bill until it dies within a given time period, and if any future Parliament wanted to re-enact it, it would have to do it and it would have to get the agreement of the voters?

Mr Bordan: I think it's very hard to cope with this bill as it is now because it takes in too many things. It takes in health and mining and education and municipal powers. It's too broad for anyone to grasp, so I as a citizen can't even figure out what is wanted, what the government is asking for, except that it wants certain dictatorial powers. A sunset clause is probably a good idea with respect to any extraordinary powers, yes; in other words, that it should expire in, I don't know, one year, two years. I think when you give extraordinary powers, you have to put an expiration date so that it can be rethought. Is that the word? Rethought, yes. A good idea.

Mr Sampson: It's interesting that you should mention, I think it was facetiously, that we might want to close up the shop here and the MPPs go home and shut down the Legislature etc. I've only got a minute, so there's an interesting fact I think I might want to leave with you. If we were to do that—send all the bureaucrats home, send all the MPPs home, stop paying them, close down committee hearings etc—we'd only save about $4 million to $5 million. The rest is actually spent by somebody else or is interest and, frankly, each day of each week of each year, the amount we spend on interest grows and grows and grows.

The message we tried to relay to the people of Ontario through the election campaign and have tried to act on since then is that because of that downward slide, so to speak, that you get from the interest chewing away at your ability to fund other things, we think we are in extraordinary times financially and we need to deal with that. That's what this piece of legislation is attempting to do. I just want to leave that thought with you.

The Chair: Thank you, Mr Bordan, for coming forward today.

REGIONAL MUNICIPALITY OF YORK

The Chair: Could I please call on the representative from the region of York, I believe Mr King, regional chairman. Good evening, sir, and welcome to the standing committee on general government. You'll have 30 minutes tonight to present. You can use that time as you see fit. I suggest you might leave some time at the end of your presentation for response and questions. I would appreciate it if you would name yourself and your organization for the record for the benefit of Hansard and the committee.

Mr Eldred King: Eldred King, chair of council, region of York. Mr Chair, members of the committee, I thank you very much for the opportunity and I trust that your appetite at this particular time of day is still subject to receiving some further dialogue as it relates to Bill 26, rather than the dinner you're probably looking forward to having.

Mr Sampson: We already had it. That's why we have no appetite.

Mr King: You certainly do work farmer's hours at this particular job.

I have given to your staff a submission that I believe is important. I apologize to Mr Hardeman, because he has heard basically what I am going to say before when we had an opportunity to address the minister on this matter. It has to do with the migration of powers between the tiers of municipal government.

I'm not necessarily going to follow the context of the letter, but I remind you that the makeup of the council of the region of York—and that is not to say there even will be a regional government in the region of York after we deal with the GTA etc. But at the present time, and if this bill does in fact become law—which I expect it will because I believe there are many things in this bill that this province needs at this particular time. I will tell you from the beginning I support the general spirit of the bill and I support the general spirit that the present administration in the province of Ontario is moving down the avenue of approach to correct certain situations that have been created over the last 20, 30, 40 years and, more recently, over the last 10 years.

1830

I would remind you of the makeup of York regional council. There are nine area municipalities, and five are somewhat larger than the other four. The way the bill is designed now, those five municipalities, with a simple majority and with a simple majority of the members of council, could transfer powers that may be to their liking, but the four smaller ones would be left out. Consequent-

ly, the theory of regionalism and sharing the resources would be gone. The four little ones would be left out in the cold.

This does not only pertain to the region of York. I think it is fair to suggest that the region of Waterloo would fall in the same category and the region of Niagara would fall in the same category. I'm not positive about the region of Ottawa-Carleton now with the directly elected regional councillors, but it could happen in many regions, and I believe there should be absolute direction by the province of Ontario as it relates to the responsibility and jurisdiction of the different levels of municipal government, if in fact we are going to continue with two-tier municipal government in the province of Ontario.

I don't think you can leave it to the local politicians. They're all out there, and I will include myself, we're all out there at this particular point in time. We know something has to be done, but turf protection, I would say, is most important in the minds of most of them at this particular time. So I would suggest that your migration of powers, yes, is important. There is a great deal of difference between the area municipalities in this province. They range from 750,000 population to probably 750 population. It may be fine for some municipalities within regions, but it certainly doesn't fit everywhere.

I am suggesting that you may recommend some modifications to that particular part of the bill and, just as a safeguard, rather than a simple majority of a council, it be two thirds. At the present time there are many areas where we require two thirds a majority of council in order to assume a responsibility; in fact I think we require two thirds a majority of council to transfer a roadway from an area municipality to a region. Two thirds would overcome my concern and would protect those smaller municipalities which do not have the resources and the strength to administer some of the responsibilities at the regional level.

That is basically my point. I have made my point to the minister, and Mr Hardeman, as I said, has heard it before. But that is my basic concern with the bill. I can see York regional council transferring powers every other meeting if it happens to fit its political interest, and I think there should be something more fundamental in the bill than exists at the present time. I can see there are many flaws with just a simple majority. That is my concern with the bill.

The Chair: We've got eight minutes for each caucus to ask questions. We'll start with Mr Silipo.

Mr Silipo: Mr King, it's nice to see you. I know we've talked on the phone a few times but I don't think we've ever met in person. First, I just want to make sure I've categorized your presentation here correctly. You're saying that you're essentially in support of particularly section 6 of schedule M that allows for powers to be shifted, but you have some concerns that you've outlined to us. Those concerns, you're saying, should be addressed by changes to the legislation?

Mr King: Yes, I think a simple modification where it would require two thirds of the municipalities and two thirds of the majority of councillors to transfer a responsibility up and down.

Mr Silipo: You've indicated, I think, in reference to Mr Hardeman, that you've met with the minister—I'm assuming the Minister of Municipal Affairs and Housing—to express these concerns.

Mr King: Yes, I have.

Mr Silipo: Have you had any response that you can share with us?

Mr King: No, I have not, other than the minister at the time and Mr Hardeman. I trust I am relating the situation as accurately as I possibly can. The minister, I think, wanted to, through this particular bill, give the municipalities the opportunity to transfer authority and jurisdiction up and down. Certainly it does overcome certain legislation that exists at the present time.

I think it was Bill 7 that transferred some powers related to waste management back and forth, and we have been asking for at least five years in the region of York to have the authority to become involved in the transit business. It does accomplish those things. We are also looking at moving fire to certainly a different level than it is at the present time. It does accommodate those things, but what I want to overcome is that it is not possible to move them back and forth at the whim of different councils.

Mr Silipo: That's the point I wanted to also address, Mr King. As we all know, the Golden task force is about to report in the new year, out of which we certainly expect some changes to take place. I think we're all assuming and expecting there will be some changes.

Wouldn't it make more sense to you, given, I think it's fair to say, the enormity of some of the changes that we're likely going to have to contemplate within the governance in the GTA, that we take a look at whatever the government is proposing to us out of the GTA task force and look at legislation that specifically says whether we will have two tiers of government at the municipal level, and if so, what powers should be attributed to each, and all of that, and bring that forward as a piece of legislation rather than just this kind of hodgepodge approach that says, "You can shift powers between one level and the other"?

As you say, that could change from meeting to meeting potentially as you go on, rather than a piece of legislation that says, "In the view of the government, on the advice of the task force, this is what we think should be done," some opportunity for some feedback, and then at the end of that process, the government can make its decisions.

Mr King: Mr Silipo, I think that's exactly what will happen. The thing is, we do exist as a region at the present time. There is a bill before the Legislature and that bill does impact the existing situation. I am not prepared to even suggest what might happen in the GTA, but I do know that what we have at the present time, the authority that is legislated upon me as chair of the council and the responsibilities that the present provincial administration has to deal with, those things are a fact, and I want to deal with those things.

Mr Silipo: I appreciate that. I wasn't asking you to presume what would come out of the task force and what restructuring, except to say I think we probably all assume there will be changes.

Mr King: I think this bill needs modification regardless of what may happen in the GTA, because I believe things are going to be very different throughout the

province of Ontario, and I think there needs to be protection, because it may apply to the balance of the province of Ontario in the future.

Mr Silipo: Did you have an opportunity to have your discussion with the minister prior to the introduction of this bill?

Mr King: No, I did not.

Mr Silipo: So it was since the introduction of the bill?

Mr King: Yes, it was.

Mr Silipo: Just to come back to this point then, I want to make sure I understand more fully why you would think—and again, if I'm categorizing your position incorrectly, please correct me—is it because the provisions exist in this bill, in Bill 26, that you're saying we need to make these changes, to make sure that there isn't a back-and-forth?

Mr King: Yes.

Mr Silipo: What strikes me—let me put it this way and see if you agree or not—it seems to me that rather than this kind of approach that says, "Yes, we understand that the restructuring of the GTA, in terms of what it may look like, is going to be dealt with at a later point," while at the same time, within this bill, there are provisions to shift powers between the two levels of the municipal level of government, the two tiers—I have to ask myself, what is the sense of beginning that possibility under this bill when the government is saying, and we're all assuming, there will be other changes that will come about in the GTA in the not-too-distant future as a result of the GTA task force?

Mr King: I'm not going to give you an answer to your question, because I don't think that is for me to conclude. I only know my concern is what exists at the present time. I know the point you're getting at. Why don't we wait until the Golden task force? I don't know what the Golden task force is going to do. I do know what is before me in print at the present time and that's what I'm concerned about.

Mr Silipo: And one of your key concerns in terms of what's here now is the instability of what may happen, that is, that powers can be shifted back and forth depending on—

Mr King: Yes, and the unfairness to those smaller municipalities that may exist within a region where there are larger ones.

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Mr Hardeman: Recognizing that I have heard the problem explained before, I just want to dwell for a moment on the issue of the evolution of responsibilities from the upper to the lower tier and the other way around, and your suggestion that, because of the way the municipalities elect local representatives to the upper tier, in some cases they may very well vote to transfer the responsibilities based on wearing the local responsibilities as opposed to the upper tier.

Mr King: Yes, wherever it is politically expedient. You know politics equally as well as I do, and political expediency sometimes doesn't always give us a correct answer. I will remind you that in the planning legislation that existed three or four months ago that has been amended to some degree, there was the possibility of transferring and delegating the powers related to approving draft plans of subdivision. Our regional council agreed that the area municipalities should assume that responsibility.

I have to remind you that I don't think that was wise and I told our council that, but to take it back at the area municipal level, to me there are now going to be nine organizations giving draft plan approval to plans of subdivision where previously there was one, and I'm sure that it's going to cost the taxpayers more money, or the development industry or whoever. I just think it was a very regressive step. I remind you that that can happen, and it is sometimes as a result of political expediency rather than serving the public well.

Mr Hardeman: The other thing you mentioned was the proportionate vote that's required to do that. In fact you indicate that you think it should be a two-thirds majority as opposed to the direction set in the act.

Mr King: Yes, a simple majority.

Mr Hardeman: I think you refer to the fact that four smaller municipalities could make the difference. I was just going through the bill. In fact, to change the power or the responsibility from one tier to the other would require the majority vote of the upper-tier municipality, the majority vote of the lower-tier municipalities—

Mr King: That's the same thing.

Mr Hardeman: —including the majority vote of the electorate in the total municipality. So in fact it could not be the smaller of the municipalities making it happen.

Mr King: No, the smaller municipalities could not make it happen. The larger ones could.

Mr Hardeman: The other thing I think you mentioned, and I put this out as a question, not as trying to redefine what you have read in the act, is the issue of the provision of this bylaw, in assuming the powers of the upper-tier municipality, to assume the local power passed under the clause shall not be repealed in whole or in part after it comes into force. So the issue of dealing with the back-and-forth is non-existent in the legislation. In fact, once transferred, always transferred.

Mr King: Then if that's the case—

Mr Hardeman: This deals with the transfer from the lower to the upper tier. I think if you read further in the act, the same applies to the transfer in the opposite direction.

Mr King: The other way, yes.

Mr Hardeman: So it is an issue of the local autonomy having the ability to make the transfer where it is most appropriate to deliver the service, and then in fact it will stay there for the duration unless there was a change in the act to allow that. I just wondered if that would solve some of your concerns.

Mr King: Yes, it definitely would.

Mr Hardeman: Just one more question: I think you said when we started off that generally you supported the direction. Do you feel that this does grant local autonomy and that it does, as the mayor of Mississauga told us a few days ago, get the province off the back of a municipality to do what it wants for its local constituents?

Mr King: Yes. Generally speaking, the bill does that. Again, I think that the province needs—there are many acts, and regardless of what you may have heard from other presentations, there are many acts which still

interfere with more or less getting the province or the region off the area municipalities' backs that we will have to deal with in the future.

I think if it's just a simple thing of the environmental approval to put a pipe in the ground, I don't believe that is being addressed in this bill, but it certainly is something that we need to be addressed because we don't need the region and the local municipality and the conservation authorities and the province of Ontario approving just putting a sewer pipe in the ground.

Mr Young: Just a slight change of topic: In Bill 26 we're going to ask that for anyone who's employed in the public sector who makes over $100,000 a year, their salaries be published. That's in the interest of accountability, and I wondered what your view is on that.

Mr King: I have no problem with that, sir, whatsoever.

Mr Young: No problem with that.

Mr King: No, none whatsoever. Anyone who's earning over $100,000 should be able to reveal it to the public as far as I'm concerned.

Mr Young: Okay.

Mr King: I'm not afraid to tell you that for the first time in my life I received more for corn out of the field this year than I've ever received before. Thank goodness.

Mr Tascona: Mr King, I'd just like to question you on schedule K, on the freedom of information. The amendments allow for frivolous or vexatious requests to be refused by the head of an institution and also there's a fee application. I would just like to ask you what you think of that.

Mr King: I would have to tell you that I'm not totally familiar with how Bill 26 is going to deal with that, sir. I think the freedom of information act has many flaws in it and it does need to be corrected, but I am not prepared to—

Mr Tascona: Okay. What about schedule Q, have you—

Mr King: I'm not conversant with that schedule either, regarding the interest arbitration. I think arbitration is—I don't know just where they are when they make some of the decisions they make.

Mr Tascona: What has been your experience with respect to arbitration?

Mr King: My experience with arbitrators, having sat on a GO Transit board and the arbitration award that was directed to the employees of GO Transit about four years ago was absolutely ridiculous. Knowing the economy that we were involved in, I don't know what the arbitrator was thinking about, and the experience I've had with arbitration as it relates to police personnel has been the same. I just don't know what they're thinking about when they give the awards.

Mr Tascona: What we're looking to do is put some fiscal reality into the situation by mandatory criteria, which would include ability to pay.

Mr King: I want someone to define what "ability to pay" means, because the province of Ontario now, if we're spending $1 million—what is it—an hour?

Mr Young: An hour and growing.

Mr King: We don't have any ability to increase anyone's salary. I would suggest to you, if I may be so bold, that we certainly are going to need something, come the completion of the social contract, in order to put some stability to this whole situation.

Mr Phillips: I appreciate the well-regarded Mr King being here. The bill as far as we can see is quite a major bill.

Mr King: Yes, it is.

Mr Phillips: It impacts municipalities in a whole variety of areas. Would you agree that it's quite a major bill for municipalities?

Mr King: It's major and it still doesn't touch all of the areas of concern that I have where there has to be a greater interpretation and explanation of the division of authority.

Mr Phillips: Right. Has your regional council had an opportunity to review the bill and to give you any—

Mr King: Regional council are not even aware of the fact that I am here. I am not presenting the position of regional council. I am presenting the position of Eldred King as chair of that council.

Mr Phillips: Right. You are aware, though, that tomorrow will be the last day when we can have any input—

Mr King: Yes.

Mr Phillips: —from people in the Metro area, even though, as you say, this is huge and has major impact for municipalities. Does it concern you at all that your council has not had a chance to review it? In fact, I think you said you yourself haven't been into schedule Q in any significant way or the freedom of information section.

Mr King: Mr Phillips, I think that it would be fair to conclude—and I know that the region of York has in fact presented to the Minister of Municipal Affairs and the Premier of this province many amendments that we believe necessary to bring forth the changes. I am certain that the area municipalities, each and every one of them, have more than likely dealt with this bill at their local level rather than at the regional level.

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Mr Phillips: We'd like any advice they have for us then and, if they have, you might suggest they could forward their comments to us because—

Mr King: Certainly I will, sir.

Mr Phillips: —we met this morning with—was it this morning or yesterday—the mayor of Markham whose council has not yet dealt with it.

Mr King: No.

Mr Phillips: So we would appreciate any of that. Within the bill, you've touched on the restructuring proposal and on the migration of services. You're very experienced. The same principle applies outside of the regional areas and I'm just trying to get your advice, if you can for us.

If a larger municipality can take over a smaller municipality and the smaller municipality—applying the same principle, and that is the majority of electors, but even if the small municipality votes 100% against it, the larger one can take it over and there is no appeal anywhere, to the OMB or to the Legislature or to the minister. Do you support that proposal?

Mr King: I think that there is certainly a degree of unfairness. At the region of York, since the beginning of

January of this year, we have been in the governance review process and, yes, we have been bogged down by the discussion related to boundary changes. I have told our council and I have told the public that, to me, one boundary is equally as sacred as another. I think it is extremely unfair for a large one to consume a small one.

I have a totally different approach to how I think municipalities should be formed in this province, and I believe that you have probably heard of that if you have had a presentation by the region of Waterloo.

Mr Phillips: We haven't yet, but we will.

Mr King: I have personally stated that I believe there should be the number of municipal governments in this province as it relates to the number of counties and the regions and probably eight or nine separated cities. I believe under that that there should be some community organization where each community—and you have heard this, I'm certain, that it's the communities within our municipalities that are important to the residents. The municipal boundaries really don't mean that much. In fact, they cause a heck of a lot of problems, trying to get across them.

I just think that in the region of York we would have much less urban sprawl than we have, and this applies to any area where there is an urban and a rural component. I just think where the small municipalities had the opportunity to share in all of the industrial-commercial assessment of the total region, as we now share it for schools and the regional purposes, that it would be much better for our residents and much simpler for the Minister of Municipal Affairs.

Mr Phillips: In the bill, Mr King, there's a provision that there's a fair bit of debate about what the intent is, and that has to do with the imposition of fees, charges and taxes. I guess we've had two legal opinions now from municipalities saying that this section—and it's on page 147 of the bill. I'm sure you've had a chance to review it. The mayor of Mississauga and the city of Toronto believe that this provision would permit the imposition of, for example, gas taxes and perhaps sales and income tax. The Minister of Municipal Affairs says it doesn't.

I guess I've two questions for you really and I'll ask them both. Has your legal counsel had an opportunity to review it and come to a—

Mr King: No, I have not asked them and I would not let our legal counsel give you an opinion as to what the interpretation of that is—

Interjection: Why not?

Mr King: —and you won't get one out of me either, sir. As a layman, as I read that, it doesn't give us any authority. It doesn't mention income taxes. It doesn't mention poll tax. I don't know where that's coming from. As far as user fees go, I was the mayor of the town of Whitchurch-Stouffville for six years and we had user fees at the arena. They're not new, sir.

Mr Phillips: No, but the key I think is what do the municipalities want, because if some of them want, as Mayor McCallion said yesterday, the right to impose a gas tax and the municipalities believe this gives them that right, then we should know that. We should at least know that when we're voting on it. I don't think you can expect the Legislature to vote on something when it doesn't know what it means. So I'm just trying to get from leaders like—

Mr King: I would only suggest then it be modified with wording that everyone understands.

Mr Phillips: Well, that's helpful. And would your instructions to us be to word it in a way that prohibits a gas tax or word it in a way that permits a gas tax?

Mr King: I will give you a little story. It was a meeting between the regional chairs of Ontario and the former finance minister of the administration under the Honourable Mr Peterson. Mr Nixon stood at the end of the table before the regional chairs and he said municipalities will never get the right to take any gas tax. I believe that's what the position of the province will always be. I think you can clarify that section of the bill with some wording. I'm not sure that we need the gas tax that's been mentioned many times. I would like to see some transfer of authority and clarify who is going to be financially responsible for this particular service and that particular service. Then I think probably we should talk about how we're going to generate the money.

The Chair: Thank you very much, Mr Phillips, and Mr King for appearing today in front of the committee.

Mr King: Thank you very much, Mr Chair and members of the committee. I wish you all the best in the holiday season that's just before you.

The Chair: Same to you, Mr King.

ONTARIO ASSOCIATION OF POLICE SERVICES BOARDS

The Chair: Would representatives from the Ontario Association of Police Services Boards please come forward. Good evening, gentlemen, and welcome to the standing committee on general government. You'll have half an hour tonight to make your presentation. You can use that time as you see fit. You may wish to leave some time at the end for responses to questions from the three caucuses. I would appreciate it if you both read your names into the record for the benefit of the members and for Hansard.

Mr Bruce Stewart: Thank you very much. This is Judge Allen, who is the honorary counsel of the association, and my name is Bruce Stewart. I'm legal counsel to the Ontario Association of Police Services Boards. I don't think we will require the half-hour in our submission. We'll try to be brief. We did place before the committee our written submission in this matter and we are only relating to two schedules in the submission. Indeed the first submission on the most interesting aspect of the bill, schedule M, is very brief.

We were very concerned at one time that in sections 209 and 210.4 there was a potential devolution of powers of police service boards that could have gone to upper- or lower-tier municipalities. Our concerns in that regard have been laid aside to some extent by the statement by the Honourable Al Leach and the Honourable Al Palladini, and I've attached that, where they've made it very clear, and we assume that's the government's intention therefore, that—on page 1 of their letter of November 30 they say, and as you may know:

"Municipalities have been clear that they want more control over special purpose bodies," which police services boards are. "Our legislation will give you that control. The Solicitor General is launching a review of the structure and financing of policing and therefore police service boards will be exempt from municipal control."

We think that's very important. The reason that police services boards exist and the reason their composition is as it is, is the recognition that policing, being a sensitive matter, should not be subject to direct municipal political control. At one time, the police boards in this province—they were then called police commissions—were made up of not only elected municipal representatives, but also members of the judiciary and other provincial appointees. Now, as you all know, there are a majority of provincial appointees—with members of the local municipalities in the co-terminus area—on the board.

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It's desirable that at no time should there be majoritarian control by the local municipality, to retain the independence of policing. We accept the fiscal controls that are placed on us, and that, we believe, will continue, so we're pleased to see that statement. Subject to any questions the committee may have subsequently, I think we can leave schedule M confident that that statement by the government, of the two ministers, will be maintained.

What we basically wanted to address here tonight was the question of the criteria for the interest arbitrators under schedule Q. I believe you may have received similar representations from other bodies and therefore I will be brief in this.

The question of ability to pay is a very contentious one in any interest arbitration. We interpret what the government has intended here by this bill to mean that an arbitrator should not make an award if he does not think the police board or indeed any other public employer affected by schedule Q has the ability to pay.

The difficulty with applying that as it is written—we think that's a perfectly legitimate intent, particularly at this time of our society; we laud that intent—is that we don't think the way in which it's framed will allow that to be done appropriately by interest arbitrators.

Interest arbitrators have normally not considered that there was any limit on the ability to pay where the public sector employer had access to tax funds, and by that I mean had the ability to tax. While police boards don't have the ability to tax, municipalities carry the obligation to fund the awards which police boards receive. Therefore, since municipalities have the ability to tax, as long as the results of the award can be paid for by an increase in tax, even if it's in a subsequent period, the arbitrator will find that there's an ability to pay.

The former Prime Minister of Canada, Pierre Elliott Trudeau, once said that the only limit on the ability of a public employer to pay was a 100% tax rate, and I think that's right. No one's tried it yet, to go that far, but we think that's correct.

Therefore, if the government, in introducing this bill, believes it's simply stating, as it has in the criteria, that the ability to pay be considered, that's not enough because it has to be tied into some appreciation of the level of tax increase that is going to be taken into account. In the amended criteria, we suggest that it should be amplified by saying "without any increase in taxes." We would therefore recommend the committee consider that matter.

The second portion of the bill that we are concerned with also relates to the ability to pay, and that is that we would not want to see the ability to pay to be created by the arbitrator having the ability to, in effect, redirect funds from one level of service or one type of service being provided to another. We're very concerned that an arbitrator not come in and make judgements which the police board or the municipality is authorized and mandated to make, such as, there may be a competition between services, for example, fire services, as to who might have access to funds. We don't think it's appropriate for an arbitrator to insert himself into that issue. That's for the local politicians and the members of the police services board to sort out, not for the arbitrator.

Therefore, we're saying that the board of arbitration should not have the authority to determine the nature and level of services provided or to be provided by the employer.

The second aspect of that: I have appeared over the last 35 years in quite a number of interest arbitrations, and what has concerned me, particularly for the small police boards we have in this province, is the amount of time they can take. Some of these arbitrations are capable, of themselves, simply the cost of presentation, of putting a terrific strain on particularly the smaller police boards, which are the majority of the police boards in this province. We don't want to see an unnecessary litigation before the arbitrator as to the financial condition of the police board or the municipality.

We've suggested—this is in paragraph 5 on page 2 of our submission—that the board of arbitration would accept as final and conclusive any statement by the auditor or the senior financial officer of the police board as to the financial condition or record of the employer. We believe that would set aside a number of contentious issues which might not only take a lot of time, but be quite unnecessary to determine the issues before the arbitrator.

On page 3 of our submission, in paragraph 7, we are addressing the issue of public and private sector comparisons, only one of which is touched on in criterion number 4, which was that the arbitrator shall consider the comparability of other public sector occupations. We have no problem with that. We do have a problem with that being the only comparison being taken. Arbitrators already do that.

We think, first of all, that if you're going to put something in there, it should also cover the private sector, but more importantly, we suggest that may direct the arbitrator into some comparisons which will in the long term not support the first criterion of ability to pay. I think the committee should consider which is going to be pre-eminent of these criteria that must be considered: the question of comparability or the question of ability to pay.

I can assure you that no arbitrator now entering into a compensation arbitration would not consider other

occupations. In the police area, there has been an ongoing issue in this province about whether police officers and firefighters should receive a similar or indeed the same wage, with the police officers saying they should receive more and the firefighters trying to keep up to them. That's the sort of leapfrogging that has allowed catch-up arguments, particularly on the part of firefighters but also from time to time by police associations.

Our recommendation is that the best thing to do is to delete that criterion. If that's not acceptable, our next recommendation would be to at least make it clear that the private sector wages be considered.

In paragraph 8 on page 4, we are raising what we think is perhaps one of the most important issues that might be considered by this committee on these criteria.

If there is a negotiated wage settlement within the municipality and, say, it's a CUPE local—here in Metropolitan Toronto, for example, if the big CUPE locals 43 and 79 settle with the municipality of Metropolitan Toronto for this year and next year, why should the police association receive any more than that percentage increase, or indeed, you might ask, why should they receive less? We're saying any settlement that comes down of that nature, a substantial settlement, between the municipality and a bargaining agent like CUPE, should put a ceiling on what an arbitrator could do, because it's the same taxpayers in Metropolitan Toronto who are going to be asked to support the privately negotiated, freely negotiated settlement as well as the arbitration award. We would therefore recommend that be considered by the committee.

Subject to any questions you may have, that is the gist of our submission that we'd like you to consider, members.

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Mr Tascona: Thank you, Mr Stewart, for your submission. I have a couple questions to ask you. We've heard from municipalities, school boards and businesses, and they've requested that the mandatory criterion be strengthened. Your proposals are in line with these groups and they're excellent proposals, I would say.

But I have a couple of questions because we've heard from other groups, obviously that are opposed to ability to pay and seriously opposed to mandatory criterion. One of their arguments is that the independence of arbitrators will be affected by the mandatory criterion and that the awards will be skewed against employees. I'd just like to ask you what your view on that would be.

Mr Stewart: I don't see how the question of independence—the key thing of course is that the arbitrator still has to balance these various criteria and he or she will still have the function, the task of determining how the mandatory criteria should apply in the case before him or her. Really, it's no different than having any rule of law. The rules of law are set out in statutes and courts are asked to apply those at any time, and that doesn't affect their independence.

Arbitrators have no greater right to expect freedom of control from the Legislature than do the courts. Obviously the courts must defer to the legislative intention, and we're asking that the legislative intention, which we think is clear in what the government has introduced here, be strengthened so that the arbitrators can apply it, but it would not affect their independence in any way.

Mr Tascona: With respect to the ceiling in criterion 8, I was interested in your comment with respect to pattern bargaining. In certain sectors, and I won't name them, that are subject to compulsory arbitration, you may find they'll have a particular arbitration in a particular city and hope to apply that throughout the rest of the province. Is there anything we can do to try to address that within the criterion?

Mr Stewart: The criterion you have asked me about, the ceiling on wage awards, would be one way of doing that, which concentrates on local and local criteria. In the example I gave, if the Canadian Union of Public Employees, which has not heretofore been noted for its ability or its readiness to roll over in bargaining and concede issues, were to settle in free collective bargaining with a municipality in Metropolitan Toronto, we think that's a pretty good standard for any interest arbitrator to accept.

As a matter of fact, in about the last three or four arbitrations affecting the municipality of Metropolitan Toronto, I can assure you that the Metropolitan Toronto Police Services Board has put forward that position. It has, however, not always been accepted, and the reason for that is that fire arbitration awards, for example, between the city of Scarborough, not the same employer—an arbitration award providing the firefighter with a greater settlement has been the criterion for the settlement that the arbitrator has followed in making his or her award. This has been true at least the last two times and the argument has been made in the last three arbitrations. We think the much more compelling argument is what a union like CUPE, or name any union you want but CUPE is normally the one you find in municipal bargaining—that would do quite a bit to avoid the pattern bargaining or catch-up bargaining.

In the police field, the standard is that the municipality of Metropolitan Toronto Police should be paid the highest, and therefore if anybody else in their settlements or awards, any other police force in Ontario or indeed in Canada, gets a higher award, then that becomes the standard that the police association, and I don't criticize them for saying this, wishes the arbitrator to follow. We have had awards in the distant past—Montreal used to pay more—where Montreal was followed as the appropriate pattern for an arbitrator looking at Metropolitan Toronto.

Mr Tascona: I recognize you are here on behalf of the police boards, but I know you have expertise in the school board sector and I'm curious to find out if you have any comments on that area. We heard from the trustees' association. They indicated this legislation should apply to the fact-finding process also. That was one of their suggestions. I just ask if you care to comment; I understand if you won't.

Mr Stewart: Actually, the fact-finder has fairly good criteria under that act now. Let's put it this way: It wouldn't bother me if it applied, but the fact-finder has no binding authority, and therefore the fact-finder's recommendation isn't binding on either party, therefore, I'm not as concerned with its impact. I think it would be

much more to the point to just abolish fact-finding altogether.

Mr Crozier: Mr Stewart and Mr Allen, good evening. I'd like, first of all, if I could, to refer to your comments on your schedule M and your letter from the ministers regarding the exemption from municipal control.

It's my understanding, of course, since this is the piece of legislation that we're dealing with, that those exemptions would have to be dealt with under regulation. It's also my understanding that regulation, then, can be changed without coming to the Legislature for debate. Do you have any concern that, albeit you've received the assurance from the minister, or the ministers of the day—the fact that it's not in legislation, as opposed to just regulation, they will be exempt?

Mr Stewart: Yes, there has been, there is concern about that; yes, definitely. That's one of the reasons we've brought the letter forward, so it can be noted in the record. I guess the next best thing would be to have a statement in the House. The next best thing would be to have an exemption to legislation.

Mr Crozier: That's why I wondered why you just simply didn't ask, in order to support their comments, that the legislation be amended then.

Mr Stewart: A question of priorities. We have no reason to disbelieve what the two ministers have stated here.

Mr Crozier: Nor do I. But what I'm saying is, it can be easily changed by the next minister. Okay, we won't dwell on that any longer.

Mr Justice H. Ward Allen: I'd just like to add some response to the honourable member's position. I share your concern, sir. I do not happen to be of the school that believes that regulation can overcome statute. I think the regulation has to coincide with, and cannot go beyond.

Mr Crozier: Thank you, sir. In your comments, you mentioned accountability. This is something that hasn't particularly been mentioned, but I think with your experience with police services boards—and by the way, when I was mayor of my municipality, I like to feel that I was on the police services board for one of the finest police services in the province of Ontario, but it was only 25 members, mind you.

Mr Justice Allen: But it can still be an excellent service.

Mr Crozier: When it comes to accountability—and I'm asking for your opinion, because at the time, there was myself as mayor and one member of council and three provincial appointees. I know often in discussion it came up in the municipality and particularly at budget time with council that of course the three non-elected, appointed members could outvote the two elected members. There was that question of accountability because of that decision. I'd just like your comments on that, if you wish.

Mr Stewart: I, of course, have to defer to your own experience: You had it; I didn't. As you know, under the Police Services Act now, if there is a dispute between the municipality and the majority of the police services board on the question of the estimates and their adequacy, it can be taken to the Ontario Civilian Commission on Police Services.

I think it's really quite a testimony to the cooperative nature, despite what the municipalities may be telling you, between municipalities and police boards that there have been very few applications. When I last researched the matter about six months ago, there were about three or four applications, under both the old Police Act, the old Ontario Police Commission, and under the present act, before this section 39 had even come into question.

So there haven't been very many disputes. One way or another, municipalities and police boards seem to have been able to work these matters out. I think it has been, and I'm sure it's your experience, if there has been initially a concern and a difference, there has been negotiation and they've avoided, then, the necessity to have a confrontation by going to the Ontario civilian commission. We hope that will continue to be the method of resolution.

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Mr Crozier: I hope so too. When you mention the Ontario civilian commission—excuse me, I was going to say we were told by, I think, two fire services over the last couple of days that very few, percentage-wise, of even fire departments go to arbitration. I think it was somewhat in the area of 15%. It may be less for police services; I'm not sure. Can you tell me, does the commission that deals with the dispute between town council and the police services board have rules that are similar to what arbitration rules we're talking here? Even though it isn't arbitration, do they have any kind of similar guidelines?

Mr Stewart: No, they don't have guidelines on this issue, on the question of determining disputes between the municipality and the police board as to what the estimates should be, what funds should be provided. They really haven't developed guidelines because there have been so few cases. Frankly, when there has been any application—I said to you there'd only been about three or four when I last looked, I should have said there have been a lot of applications, but they are resolved before a hearing because the Ontario civilian commission acts itself through its chair as a mediator, often, in these matters. So they try to resolve it without the necessity of having adjudication and they've been very successful.

Mr Silipo: Mr Stewart, nice to see you again; Justice Allen. I want to pursue a couple of points, starting with the last one that you were discussing with my Liberal colleague. Do you have any statistics you could share with us about the percentage of negotiations that end up before arbitrators in the police services?

Mr Stewart: I could easily get them. I don't have them here with me, but they wouldn't influence me very much, and I'll tell you why: It's the pattern bargaining Mr Tascona mentioned.

For example, if you were in a regional municipality, say, in the greater Toronto area and you have an arbitration award in a neighbouring municipality and you may have had a settlement in another neighbouring municipality, there has been a standard set, then, for both the police associations and the police boards to determine where they're likely to end up. That's the pattern bargaining, as I see it, that Mr Tascona was talking about in one aspect.

So the parties, then, really don't normally have to go to arbitration to be told once again what the award should be, because arbitrators are even perhaps worse than judges in that they tend, once one arbitrator—with great respect—makes a decision, they tend to regard it as close to Holy Grail and they're very disinclined to interfere with it. So once you have a few arbitrations around it, it obviates any necessity to go back—

Mr Silipo: So even though there may be a few in the whole context, you're saying the importance that's placed upon them is far greater than negotiated settlements?

Mr Stewart: Yes.

Mr Silipo: That's interesting. If you have any information that could show us that, I'd be quite interested in seeing it.

Mr Stewart: To that last point?

Mr Silipo: Yes.

Mr Stewart: Yes, I'll be glad to.

Mr Silipo: I wanted to just also pursue the essential point that I certainly take from what you're saying here under the arbitrations provisions, where you're in effect saying not only should ability to pay be considered, but indeed it should be applied, along with other criteria.

Mr Stewart: Yes.

Mr Silipo: I'm sure you're more than familiar with the argument on the other side that says even considering ability to pay equates ability to pay with willingness to pay. Indeed, what you're suggesting, it seems to me, would pretty much equate that. What would be left for an arbitrator to decide, other than to take whatever figure the employer said, "This is what we can pay," and say, "That's the award"?

Mr Stewart: First of all, the matter isn't that simple. For example, in this day and age, I think most of us are looking at productivity bargaining. That's what the private sector had for quite a little while, and the public sector is getting into that now.

Even if there were no new funds, even assuming that's the basis of your assumption, you could still have an association suggesting that a wage increase could be granted by reorganizing some of the way in which things are done or indeed by them being prepared to give up certain things to get a wage increase.

The productivity bargaining, for example, many aspects of policing now where the terrific cost of an officer going to court to give testimony, which is a huge cost to policing, very, very high premium payments—for example, in Metropolitan Toronto here if an officer goes to court—this is obviously on a day when he's not working as a police officer—for 15 or 20 minutes, which is the norm, not normally are they there for long, he or she would get six hours pay for that short appearance. Obviously, there should be something to make up for the fact a person's had to come to court. Obviously, there is a minimum, but I think all of us would say that's a fairly generous payment.

There are lots of areas now in police contracts where I think with a restructuring of the compensation package, there can still be salary increases provided.

Mr Silipo: Again, correct me if I'm wrong, but it seems to me that those aren't necessarily the issues that drive questions to arbitration, are they? It tends to be the bottom line about how much of an increase, if any, there should be. I guess on that, I keep coming back to the point of if the legislation were to be written as you're suggesting, which says an arbitrator is not only to consider but also apply the ability to pay and the ability to pay is in effect to be determined again by what you're suggesting here, by whatever the employer says they are able to pay without any tax increase, without any other—

Mr Stewart: But you're assuming that police boards would approach this from the point of view of the employees getting nothing. That's not the way most employers I have dealt with would.

Mr Silipo: No, no, I'm not assuming that.

The Chair: Thank you, Mr Silipo. Time for the half-hour presentation has been exhausted. I'd like to thank the gentlemen for coming forward and presenting to our committee tonight.

CHRIS ARCHER

The Chair: May I please have Chris Archer come forward. Thank you for coming this evening before the standing committee on general government. You have half an hour tonight to make your presentation. You can use that half-hour as you see fit. You may want to leave some time at the end of your presentation for questions and responses from either of the caucuses. You can begin at any time.

Ms Chris Archer: My name is Chris Archer. I thought I was going to be speaking on health issues tonight and, much to my surprise, I'm in here. So this might be half an hour of improvisation, but I think it could prove useful to all of us, especially to me to speak this.

I'm very honoured to be here. This is a wonderful opportunity and I am glad there are public hearings being held about Bill 26, because this is, as you may have heard before, a bill that restructures government. The first thing that I wonder is, is this what this government was elected for?

I work in the public sector, and in this public sector I'm a social service worker and among the lowest paid of the lowest paid. But unfortunately, when any cutbacks happen, the association for which I work immediately starts thinking: "How can we save money? Well, let's cut back service."

The population for which I work is an extremely vulnerable population and we have been assured by the minister, David Tsubouchi, that no further cuts to this sector would happen.

The association I work for, the union of which I'm a member—and I'm not speaking as a union member; I'd like to make that point perfectly clear right now—all are wondering whether that can be believed. All of us are doubting his words, and that leads to a great deal of insecurity in the workplace.

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The association I work for has been trying to negotiate pay equity for it seems like 24 years, but let's call it eight, and we have not been able to come to an agreement about a plan. Much to the association's surprise, we found out that the government will no longer fund proxy pay equity.

Unfortunately, this affects the lowest paid in the service sector. I'm among the lowest paid in the service sector. I wonder what impact this is going to have upon (a) us as workers and (b) the client population? We're being asked to do more and more with less and less. We were being asked that before the government was elected, but now it is getting even worse.

The group home in which I work has two full-time counsellors, two full-time overnight awake counsellors, three part-time counsellors. Originally, the client population of this place was six individuals, and now it's gone up to seven. The staff loads have not increased but the staff workload certainly has. Again, and I'm afraid I'm going to be saying this quite frequently, we are being asked to do more and more with less and less.

All who work in this part of the public sector, dealing with the developmentally handicapped, care about the client population with whom we're working. We care about them very much. We wouldn't be doing this job if we didn't care. But we would like to know, how much money has this sector been overspending? We have not been told. We need more information about the financial picture than we are being given.

The association I work for is very reluctant to share financial information. Incidentally, there is one part of Bill 26 that I, as a citizen of Ontario, do agree with, and that's the disclosure of salaries of $100,000 and above. I think that is needed, because far too much money is being spent on executive-level salaries and not enough is being spent on servicing individuals in need. I'm not only speaking of the developmentally handicapped; I'm also speaking about psychiatric patients and corrections and whatever.

A lot of the moneys being spent in the public sector have gone on executive-level services. I'm sure they feel they earn every penny that they make, as do I, but the comparison between my salary and, say, the executive directors of the association I work for—there's a very gross difference.

We were told that the executive director and the regional executive directors will not be taking salary cuts during the restructuring because they are not going to be demoted. I think we've had enough of that kind of cynicism.

I ask the question, why do parts of this bill seem to centralize power in cabinet if this is a government that does not believe that government should have that active a part in the social service sector, in health, in welfare, that this should be left up to private citizens and to the marketplace?

In one part, this bill has been useful because it started the citizens of Ontario debating what belongs in the marketplace and what does not. This is a debate that perhaps should have happened before and is happening now, and that is useful. But I am really frightened if this bill is passed as is. I have read it, and it seems to take several different parts of this government and throw them all together. It seems to give municipalities the power to charge taxes or user fees or any number of things, an open purse to do that, yet publicly this government is saying, "We're going to give you a tax cut." Citizens of Ontario are very used to hidden taxes, but we don't need any more out of our pockets. I have not had a pay raise in four years. That is where I'll leave that.

What was this government elected to do? Was this government elected to make all these changes, or has this government been elected because the citizens of Ontario didn't like what the previous government did, and was the previous government of Ontario elected because the citizens of Ontario didn't like what the previous government did, yadda, yadda, yadda?

I don't think this government has consulted with us enough. I have seen and read the Common Sense Revolution. I swore to myself before I walked into this room that I would not use the words "Common Sense Revolution." I apologize for that, but there you go. The Common Sense Revolution did not contain this bill. It may have contained the elements of this bill, but it certainly has not had it in mind, I don't think.

I think the citizens of Ontario would be more willing to receive cutbacks in government service if we were consulted about the cutbacks, where we think they should take place, what we think should be cut first.

As an aside, I was quite shocked that the funding for CJRT, which is a wonderful radio station, had been cut in total by this government. It's a real shame. It's a cultural loss to Toronto and to Ontario and to parts of the United States, if you listen to their fund-raising.

We would be willing to have cutbacks. I realize that the social contract of the previous government was an attempt to get this consultation process started. It was not a successful attempt, but it was a beginning. If this government could take any part of the previous government as a model, that might be a good place to start, or it may not, but all of us agree that financial responsibility is needed. We may have been living beyond our means for a while, but this government has really not proven that to us.

I read the Maclean's poll saying that citizens of Ontario and of Canada are in a state of despair and doom and gloom. I wonder if that is because we are being told by people in authority that things aren't working any more, and we're being told over and over and over again that we are broke. But what we are being informed about has not been proven to us. Before this government can go any further, it has to give us proof, because we are being asked to accept this government on a lot of faith, and it's a faith I can't extend.

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Incidentally, I read in the Toronto Star today that the Premier of Ontario, Mike Harris, said that in Ontario there is a culture of government dependency; I believe those were his words. As a taxpayer in Ontario, I was quite insulted. I take care of myself, and I'm quite proud of that fact. I help others privately as best I can, and I'm proud of that too. But the help I can give is quite limited because I don't make very much money. I'm not whining about that part.

But we used to have a culture that government would give—in poli sci 101, Theories of the State, they told us that the state had the functions of accommodation with the status quo, which is a healthy economic climate, and accumulation, charging some taxes so that people could work and have health care, have a place to live, have

enough to eat, so that more people could make money. As far as I know, that model is still valid.

It has been said that the Premier of Ontario is trying to find out what is good in this government and what is not working, but he seems to be doing so with an axe and just destroying everything in sight. Frankly, I'm frightened.

Since I cannot speak as a member of my union, even though I wish I could, and I cannot speak as a member of the organization for which I work, I am speaking as a private individual. You have to explain it to us. You have to explain why you need to have all these powers in cabinet, what the necessity of that is. You have claimed that we are spending $1 billion, I think the figure is, more a day than we take in, or something like that; you have to show us that. Proclaiming something from the rooftops does not prove it is going on.

I thank you for your time, and for your patience. I don't think you have any questions, but if you have any, please ask.

Mr Crozier: Ms Archer, I think you've done remarkably well for coming here and speaking on an impromptu basis, when you thought you were going to be speaking about health care.

I just have a couple of questions. You've mentioned that you work as a social worker. Do you work directly for the government? You've mentioned an association as well.

Ms Archer: No. I work for the public sector, not the public service. You know the difference between the public sector and the public service. I do not work for the government of Ontario, even though some of my salary, I think 55%, does come from the government.

Mr Crozier: You mentioned that there are two impacts that you think will be felt. You've explained to some extent the situation as it affects you, that you're being asked to do more with less. You also said it affects your clients. Can you give me some sense of how you feel it will affect your clients, what with the financial constraints you may have to work under.

Ms Archer: I work with developmentally handicapped people, adults, in a group home, and one of the concerns workers have working with developmentally handicapped people is violence from developmentally handicapped people. Now, I am not saying that developmentally handicapped people are all violent. I believe it's what they know how to do, it's what they've been taught how to do. But sometimes some with behavioural challenges need individual attention, and with two people on staff and seven clients, there is not enough attention that we can give at the time that it's needed, so situations build up and all of a sudden an emergency happens, and there you go.

Mr Crozier: Thank you very much for your comments.

Mr Silipo: Thank you, Ms Archer, for your presentation. A couple of points I just wanted to pursue a little bit: One of the points that you stressed a lot in your presentation was the lack of discussion and consultation. One of the arguments that we've heard repeatedly from the government members is that the consultation really happened during the election and that as a result of that they, by winning the election, have gained the right to in effect go ahead, do what they're doing here and proceed because they've got a mandate, and because the deficit is such a big problem, it has to be dealt with in this way, without any of this discussion taking place. What's your reaction to that?

Ms Archer: I've noticed people who vote for change often question that—this government seems to have to define the kind of change that it believes people have voted for, without really finding out if these are the sorts of change that we have voted for. All of us do agree that the deficit can be a real problem, but I think we all need to be consulted before services get cut back. I don't think that this government's election has justified any pushing ahead without letting us know how, why, when.

If this can't come back—if it does get restored, what form is it going to be restored in or could it be restored in? One of the major problems has been the tax cut, and now it seems to be getting put on the back burner. I wasn't looking forward to receiving a tax cut, but again, we need more consultation, and I don't think an election was a form of consultation. I know the previous government didn't do that, nor did the government before, and I think any government nowadays has to wonder whether or not it's going to be changed at the next election, but I wouldn't want to see a government that just caters to groups, interest groups, as this government calls them, for fear of being kicked out at the next election. That wouldn't be good either. We're all changing, and some parts of this bill are valid.

Mr Silipo: One of the other points that you made was your concern around the elimination of proxy pay equity, which, as you know, is a measure that allows some 100,000 women across the province in some of the lowest-paid job categories to eventually, albeit over a long period of time, reach a certain level of parity with whatever the male comparative job has been deemed to be. Can you give us some sense from your own understanding or experience about what eliminating that pay equity provision will mean for women in your sector?

Ms Archer: I'm only going to speak about the organization that I work for. I don't think that there's any will within the organization to create a form of pay equity. There's no will within the organization to raise salaries. I'm not speaking as a member of my union, and I'd like to make that quite clear right now, but I have been on the negotiation committee at least twice, and I didn't see any will on the part of the other side to look at sources of funding so that salaries could be raised. So I think that since the government is withdrawing from a proxy form of pay equity, it will not happen with my organization, and I'm very, very sorry about it, period.

Mr Young: Thank you very much for coming tonight. I appreciate you coming. I admire you very much for coming here alone. I'm kind of new at this too and you sometimes feel shy at the microphone, so I can imagine what it must be for someone to come as a delegation. And I admire what you do; it's a great public service. So I congratulate and thank you.

What I wanted to explain is that with regard to our debt, our government debt, which is close to $100 billion, and the interest we're paying on it, which is about $9

billion, if we don't get the debt under control and get our deficit, which is close to $9 billion, under control, we won't be able to afford our social safety net, of which you are a critical part.

The NDP had a job creation program they were going to spend $1 billion on which didn't work, and the Liberals had their job creation programs before. This bill, Bill 26, will be setting the stage for what I think is the largest job creation program in the history of Ontario. It will put $4 billion back into the economy over three years, roughly half of it in the first year, and that's the tax cut.

I wanted to ask you, at a personal level, wouldn't you appreciate having $700 or $800 more in your pocket over those years—it would be more in the first year—and wouldn't you put it back into the economy somehow?

Ms Archer: Oh, boy. When Hugh Segal was here in Toronto talking on CFRB to a phone-in show, I called in as a trade unionist. I'm not going to state the party that I work for sometimes, because I think you can gather that from the thrust of my remarks, but I told him that I would be donating my tax cut to the party of the previous government, so—

Mr Young: And that's a good point, because some people will get their tax cut and will actually give it to charity, those who can afford it, and if they're giving it direct to charity, there isn't the government in the middle, which is administrative cost etc, and most people will invest it back in the economy in one way or the other. We have a lot of optimism. We want to impart that optimism to the rest of Ontario, starting in this year, and that's what this bill is setting the stage for.

Ms Archer: If it happens, fine. I really can't answer that question until it happens. I cannot answer to my membership questions about pay equity until I can see the plan, until I know that the plan is going to occur, because otherwise I would be giving false promises to them. Right now it could be that the tax cut, which everyone means well about—and I'm not saying that this government does not mean well; I think everyone means very, very well. But until it is there, until there is proof, it might turn out to be an empty promise. And speaking as someone who is active in a union, don't promise a salary raise, don't promise pay equity, don't promise anything until you know that the money is going to be there.

Mr Sampson: You talked at the beginning of your presentation about salary disclosure, and you thought that was a good idea. Just an interesting question to you: Do you think the $100,000 number's too high?

Ms Archer: No, I don't. I'm not going to say what the executive director of the association I work for makes, but it is within that range.

Mr Sampson: So it would do what we were hoping to do, which was to at least bring out into the public view what I guess was normally called the middle-tier and upper-tier management is making and encourage the public to come to some conclusions as to whether that's justified compensation.

Ms Archer: Yes, and to bring members of the organizations for which they are working to conclusions on whether or not that compensation is justified.

Mr Sampson: Yes, to help us deal with a very small component of the overall accountability issue.

Ms Archer: Yes. I think that's a really good idea. I agree with that.

The Chair: Thank you, Ms Archer, for coming forward and making a presentation to us tonight.

Ms Archer: Thank you very much, and again I want to emphasize I believe that this government means well.

Mr Crozier: They are just misguided.

The Chair: Our next witness has yet to appear in the building, so we'll have a 5-minute recess. Actually, I'll make it an 8-minute recess. That takes us to five after by my watch. If she's not here then, then we'll just go on to a 25-minute recess. So an 8-minute recess until five after.

The subcommittee recessed from 1955 to 2002.

ELIZABETH ROWLEY
ELIZABETH HILL

The Chair: Could Elizabeth Rowley please come forward. Just have a chair there. Good evening and welcome to the standing committee on general government. You'll have 28 minutes to present tonight. You can use those 28 minutes as you see fit. You may want to leave some time at the end of your presentation for question and response from the three caucuses. I would appreciate it, for the benefit of both the committee members and Hansard, if you'd read your names into the record at the beginning of your presentation.

Ms Elizabeth Rowley: Members of the committee, my name is Elizabeth Rowley. I'm a public school trustee in the borough of East York in ward 2, and I'm here on my own behalf and on behalf of my constituents. With me is Elizabeth Hill, who is a school board trustee in the city of York in ward 4, and she is also here on her own behalf. We don't have anything written but we'd like to make some verbal comments. Perhaps I'll start off and Mrs Hill will make her remarks in tandem with me and perhaps some afterwards, if that would be an agreeable way to proceed.

The Chair: Yes, it would be fine.

Ms Rowley: First of all, we'd like to thank Mr Alvin Curling for making these hearings possible, and the opposition parties in the House. I am very concerned, we are very concerned, about the contents of the bill on all fronts, both those sections having to do with health, which we understand are being heard by a portion of your committee in another room, and also in particular, of course, with respect to the provisions having to do with public education, both at the post-secondary level and at the public school level.

We are very concerned with the way the bill has been tabled and the process the government has chosen to deal with the bill. This is the most sweeping piece of legislation I have ever seen in my life. It affects virtually every aspect of government, every aspect of governing. It makes significant changes to the way that we, as citizens, will live in Ontario, and it makes sweeping changes to the way that you, as legislators, will legislate and will govern in Ontario. We think that the public is the loser in this new restructuring or rearrangement that is proposed in Bill 26. In fact, I think it is the very notion of parliamentary democracy which is under attack in Bill 26, and I should say off the top, on my own behalf, that I see no way of supporting any part of it.

I think the whole bill is flawed, largely because of the process but also because of the content. I think Ontarians will find themselves, if this bill is passed, in a situation where they'll have very little control over the way they will live in the new Ontario as it's restructured and very little control over government. All of the parties that campaigned in the last provincial election claimed they would open up government and open up the Legislature to the public, and I think Bill 26 goes miles and miles in the other direction. I think there are profound violations, furthermore, of civil and democratic rights and the rule of law.

I would point out to you, as I'm sure many other delegations before Mrs Hill and I have, that the proposals, for example, which would allow municipalities and school boards to be dissolved and created or recreated at the will of the cabinet or of the minister are unprecedented and unwarranted. The powers which allow for the closing of hospitals and massive changes to the way that health care is delivered in Ontario are unprecedented and unwarranted. The changes to universities and colleges, not only the financial changes that are anticipated in the bill and proposed by the bill, will transform our post-secondary education in Ontario into private schools for the wealthy and those who can afford the gigantic tuition that will surely result as a result of this legislation, again at taxpayers' expense.

Probably the committee is aware—if not, I would like to make you aware—that in Canada, universities and colleges, unlike in other countries, are primarily publicly supported. They're not private as they are in the United States. I think this bill will actually create or move very strongly in the direction of creating private universities that are publicly funded. Likewise, public education will move sharply towards a two-tier system, where parents who can afford it after the new round of cuts kicks in will opt to put their children into private schools, and those who can't will be stuck with the system that remains. I can tell you that professionals have approached me as a trustee, professionals who are ratepayers in the borough of East York and in ward 2, and said to me that if classes get any larger, they're going to pull their kids out; they have the money to do it and they will do it. Anyone who cares about public education in Ontario will hear those kinds of remarks and shiver and shake and be deeply concerned, as I am.

I'd like to come back to the overall consequences of the bill, because I think the logic of the bill as a whole impacts on education in the same way that it impacts on health. That is that the bill fits in very closely with the NAFTA agreement. In fact, what we are seeing is the level playing field being enacted in Ontario as it has to do with public education at the post-secondary and the secondary level, and likewise in health care—we're going to see a situation where there is, as a result of this bill, a two-tiered system in education. Those who can afford it will leave, where there will be one system for the rich and one system for the rest.

I think Tomson Highway spoke very eloquently when he addressed a meeting recently of Metro council, when Metro council was anticipating the kinds of cuts that might come in this bill. He was speaking about what would happen to Metro Toronto if cuts in the neighbourhood of 25% each year were made. He described the city as being a bleak and a desolate place, full of unemployment, without any redeeming features, that nobody would want to visit, let alone live in. What he was describing, if you close your eyes and think about it, is what American cities already are. He could have spoken in the same way about public education and the dangers it faces as a result of the changes that are being anticipated in this bill.

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I think the bill also anticipates that as public funding is pulled out or provincial funding is pulled out of public education, corporations and private interests will move in. We've already seen, in Metropolitan Toronto, the learning partnerships. I would think the committee would agree—I hope you would—that there's no such thing as a free ride or a free lunch and that nobody gets something for nothing. We've had great difficulties in the public education system dealing with the question of partnerships. We do not want a situation where public education becomes dependent on the goodwill of private corporations whose main interest in education, as in any other field, is to develop a market, to see children, as we saw at the Kid Power conference here last winter, as a potential market, able to generate millions and billions of dollars in profits for corporations that have access to them and can make them sensitive to their brands. Such a case would be, for example, the Pepsi deal in Toronto and other kinds of partnerships.

The main partnership that we're concerned about is the partnership that takes place in Ontario classrooms every day between children and their teachers. It seems to us that the proposals in Bill 26 will undermine that most important partnership. And how is that? In the first place, if you withdraw the kinds of funds that you're proposing to withdraw—$400 million this year on top of the cuts that have already been made over the last number of years by previous governments, equally shortsighted, in my view, or if perhaps not equally shortsighted, certainly shortsighted; this bill is beyond shortsighted—we have a situation where taxpayers are going to be asked to pick up the slack, if you will.

On the one hand, the moneys that are withheld from school boards across the province as a result of this bill—and I don't know how it will work out in Toronto. Certainly, the bill would indicate that if the government is interested in stripping teacher pensions and teacher gratuities, this might be the area where the government would move to remove a large amount of money from Metro by downloading that on to school boards or by eliminating it altogether. Then you have a situation where teachers will be asked to pay the biggest burden, on one side, by seeing their collective agreements stripped and their pensions stripped, and on the other side, taxpayers, ratepayers and tenants—I don't mean commercial taxpayers; I mean ratepayers and tenants—will be asked to pick it up.

What other choice do we have? We can go to our constituents as school board trustees and as boards, and we can say, "We are facing these huge cuts and the choice before you, as the people who elected us, is to opt

for either whopping big tax increases," and we are talking about whopping big tax increases, not the kind of increases that we've seen to date, "or whopping big cuts in programs and whopping big increases in class sizes, the elimination of teachers and all kinds of money from the classroom, or the third choice is a combination of both."

For a government which claims to be interested in reducing the tax burden on ordinary Ontarians, this moves in exactly the opposite direction. I have to say in fairness that at least it's consistent with everything else in the bill. With all of the user fees, the tools that will be given to municipalities and the tools that will be given to school boards to implement user fees, to contract out, to privatize and so on, it's very clear to anyone who has access to the bill that the costs of this bill will far outstrip, many times outstrip, any savings that will come in the 30% tax rebates that are proposed by the government to take place in the spring in the next three years. We are seeing huge increases in taxes on individual ratepayers and tenants, and at the same time we are going to see the dismantling of public education. That, I would submit to you, is the only logical conclusion that one can draw from the financial proposals and the other proposals that are here.

We can only assume, or I can only assume, with this bill coming on the heels of the report of the Sweeney commission, that the government does intend to dismantle school boards across this province. Whether it's half of them of a third of them or all of them is unknown, but it's clear to me at least, as a school trustee, that that's the intent of the government and that such dismantling will take place, as it did with Mr Sweeney, without any consultation with the public as to whether they think that's a good idea or not a good idea, whether it be in Metropolitan Toronto or any other part of the province.

That, to me, is fundamentally undemocratic. If you don't ask the bride and groom if they want to get married and you just pull out a shotgun, that's undemocratic. That's imposed, and that, to me, makes it flawed from the beginning. So when you combine the two things together, the cuts that are anticipated and the restructuring of school boards or perhaps the complete elimination of them, you have a disaster, in my view.

In conclusion, I'll call on Elizabeth Hill now to make some remarks.

Mrs Elizabeth Hill: It's very difficult to separate out the specifics of Bill 26 in this issue because this bill, as I see it, is really a tool to give the Ontario government much greater powers, powers to the cabinet and to the ministers. So it's not only the bill and the items in the bill; they're so all-encompassing that it affects many other things.

I live in the city of York, which, you may have heard, is a small part of Metro Toronto with a very high number of immigrant families, a very high number of low-income families, a high number of single parents, a high number of seniors and so on. It's a very needy community. So the effects of the possibilities that come in under Bill 26 can be extremely devastating.

Since I deal with the public school system and I see the schools and I talk to the parents, I'm very aware of some of the day-to-day concerns that people had. We all know about hungry children in the schools.

The issue of the cuts and how it has affected education: I know the mini-budget and so on is separate from Bill 26, but the aspects of Bill 26 further compound and add to the difficulties of school boards. Already we see many partnerships between business and school boards, which I find quite scary. When you see in a school, in the public hallway, advertisements for banks, we're giving our children mixed messages. Children are being taught to listen to teachers, to listen to what they're saying and to learn what they're saying; at the same time there are advertisements. We want children to be critical thinkers, but we're giving them mixed messages. If they begin to become critical and cynical about the advertisements that are becoming more and more commercialization—and I think that's what frightening down the road—that scepticism may carry over to what the teachers are telling them about mathematics and so on.

We have, in one of my schools in particular, a literacy program which has been extremely helpful for children who have difficulty in reading, and yet the reduction of teachers and the budget cuts are threatening that program. I'm already receiving letters from parents telling how much of a difference this program has made in the lives of their children, and if it's cut, it will place them in great jeopardy. I think that what you save—it's an example that I want to say to the committee, it's penny wise and pound foolish. The pennies that you save at the lower end are going to cost multi-dollars at the other end, when we have older students who need remedial, who have behavioral difficulties because of academic problems.

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One of the surveys that I often have talked about in my community is a survey done by OISE, the Ontario Institute for Studies in Education, a survey of opinion on taxes. The one that they conducted that came out last fall showed that while many people are opposed to increased taxes, when it came to the issue of education it was reversed and the majority would favour paying more for a quality education. The only exception was the board of trade and corporations and it's these very corporations which I feel would benefit by the lack of funding, the lack of local autonomy and power, the lack of democratic—the power of democratically elected people to represent their constituents. They will be the beneficiaries because schools that are lacking funds will be forced to put impossible taxes or to turn to partnerships which would open the doors to some of the difficulties that we've seen happening in the United States, and I can't go into all the detail there.

I think that's the main point I wanted to make at this time.

Ms Rowley: In conclusion, this government, when it has spoken about public education, particularly public education in Metro Toronto, has spoken about a crisis of overspending. But in fact, the reality is that there isn't a crisis of overspending; there is a crisis of revenue. All of the boards in Metro Toronto have been in the situation over the past number of years, the past five years, where

large corporations have been appealing their property and business taxes and we have lost $400 million from public education.

We have stripped back in every possible area that there is to strip back. If there was any fat in the system, I assure you, Mr Chairman, there is no fat left. What you will do by bringing in the kinds of cuts that are anticipated in Bill 26 is bring about a two-tiered system of education and the dismantling of public education. That's what it's about.

If you are looking for ways to find revenues to fund public education, I would suggest that you go back to the Fair Tax Commission report, which proposed that education should no longer be funded from the property tax and should be funded out of general revenues raised from a tax that would be a provincial tax, that would be reworked and reformed on the basis of ability to pay.

I can tell you that my constituents are bloody furious about the bank statements that have come out, showing that Canadian banks have earned more than—"earned" is not the word—have scooped off more than $5 billion in the last year alone, while 44 bank branches have all appealed their property taxes and their school taxes in Metropolitan Toronto. They are furious. If you are looking for money, look there.

I can tell you the public will agree and I hope the committee would agree, that money is essential for public education to work. If you want to continue to see Canada as a world-class country, the number one country that people want to live in, then you're going to have to have the kind of public infrastructure, including public education, which continues to be a well-funded, superlative, excellent system of universal, public, quality education. I urge you to urge the government to put this bill on the shelf and to start looking at ways to adequately fund our social programs and certainly public education.

The Chair: We have two minutes per caucus for questions, starting with Mr Silipo.

Mr Silipo: Thank you very much for the presentation. You've talked a lot about some of the background behind this bill, as well as some of the particular directions that the bill takes the province in. I just wanted to make a brief comment and ask you to respond.

One of the things we certainly are seeing is, in addition to a series of broken promises by the government—no user fees for health care and we have fees in health care; no cuts to classroom education and $400 million—we don't see how those cuts are going to come about without affecting the classroom; various other things that I could go on listing but won't because the time isn't there.

It seems to me that at one level it might almost be understandable—not acceptable, but understandable—if all of that was being done for the sake of reducing the deficit, but what is frightening is to see that what is driving the agenda is primarily the tax cut and the fact that the largest portion of money that the government is cutting is going to go towards tax cuts which, as you said, then are going to be translated at the local level into likely increases in taxes in a variety of ways, whether it's user fees or increases in property taxes or, alternatively, a real drastic cut in services.

I guess the only question I have on that is, are people beginning to understand that out there?

Ms Rowley: Oh, I think so. I can tell you about the meetings that we held on the Sweeney report in East York, and the meetings that we held were to garner public opinion, to present the facts and to see what people thought. The one thing that electrified people was the proposal in Sweeney to provincially pool commercial and industrial assessment. In Metro Toronto that means $400 million will be lifted out. It means a 40% tax increase or a 20% residential tax increase or a 20% cut in services and people were outraged.

In the meetings that I held, that was the one thing that woke everybody up. They suddenly realized that this report is not primarily about amalgamation, which some people feel would be a good thing: others feel it wouldn't be a good thing. But when they saw what the consequences to Johnny in the classroom and Sally at school were going to be, I was mobbed by people asking me: "What can I do? Can I get a petition? Can I sign? Can I phone somebody? Can I do something?"

I would suggest, Mr Silipo, that when the public becomes aware of what the contents of Bill 26 will be with respect to public education and, I would think, municipalities and public health, the Boston Tea Party will look like a picnic.

Mr Young: Thanks for coming to make your presentation. With regard to your comments on education, I would like to respond a little bit and then ask you a question. You talked about gigantic tuitions. Even with the tuition increases, if the universities go to the maximum on the 10% increase, it'll still only be in the $2,600 range and college tuitions will be in the $1,300 range. I would submit that it's just a tremendous value and it's available because Ontario universities have about the highest access rate of any jurisdiction in North America; that is, the number of high school students who graduate who want to go to university who can go. So I don't see gigantic tuitions.

Now, on the other hand, in the States the same tuition would be anywhere from $15,000 to $25,000 a year. So I think we're doing very well and we're going to work hard to make sure that universities and colleges are still accessible.

With regard to the school boards though, because that's your area of expertise, we have 168 school boards in Ontario. We spend about $1.3 billion a year on custodial service, total. We spend about $560 million a year on preparation time. So we think there is a lot of room to save money without hurting the children in the class and to keep teachers and children together in the classroom.

I would like to ask your comments on that, as well as you said there's nothing in Bill 26 that you like. None of the changes you talked about in education are in Bill 26. I don't know if you know that.

Ms Rowley: Yes, I do.

Mr Young: They're not in Bill 26. But there is something that's in Bill 26, which is the Public Sector Salary Disclosure Act, which states that anybody who makes $100,000 a year or over should have their salaries published and I wondered how you feel about that.

Mrs Hill: I have no qualms with having large salaries published. I think that would be a good thing. Actually in our board's financial highlights not the specific names but

the range of salaries at the supervisor level are shown. The only fear I have is that I would hope that that wouldn't become like a whipsaw so that people who see that will want to be increased to be at the level that big corporate managers are. That's one fear I have.

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On the issue that you mentioned about custodial service and preparation time, I think one thing—you can't look at everything in dollars and cents and just separate them out that way like you're buying laundry soap or something. There's a lot more. Do you know, in our schools all of the staff are a family? The caretakers are part of the school. They're trusted, they do a job, they care, they're involved, they come out to the special events. It's not something that you can just say, "Well, gee, we'll get someone who'll do it for half the cost." You only get what you pay for and you're not going to get—

The Chair: Thank you. Sorry to interrupt, but we have to get into Mr Colle's time for questioning.

Mrs Hill: I didn't get a chance to deal with preparation time.

Mr Colle: Mr Chairman, I should mention too, something very—

Ms Rowley: Could we just answer some of the—

The Chair: No, we only have limited time.

Ms Rowley: I'm sorry.

Mr Colle: You're taking my time.

The Chair: Each presenter has a certain amount of time.

Ms Rowley: Okay. Sorry.

Mr Colle: Something very close to my heart is that my father was one of these unnecessary service providers in the schools for 18 years of his life. He was a custodial caregiver.

Mrs Hill: So was mine.

Mr Colle: I think he created a good atmosphere in the school. He knew the kids as well as the teachers. He used to talk to the parents about everything from health problems to discipline problems. He made sure the ice was scraped from the sidewalks. He kept the school clean, just as he would his own home. So I think we've got to go beyond just the dollars and cents, as the deputants said.

There are people who really feel being part of the school—even though they are so-called lowly custodial givers or caretakers, they're important in a school and sometimes they're as important as teachers in fact for the care they take.

But the comment I wanted to make, after defending my father's life as a caretaker, is that the act itself has a very interesting provision. It talks about public participation. I don't know if you realize this, if trustees realize this, but under this act a municipality can unilaterally dissolve a board of education.

Ms Rowley: Yes.

Mr Colle: Just by a bylaw, a show of hands in municipal council, and I'm sure a lot of municipal councils would love to assume more power in their hands and abolish a school board. What do you think about local councillors all of a sudden assuming this extra duty perhaps of running our school system by just one vote in a council meeting?

Mrs Hill: I think anyone who would put that idea forward doesn't have any concept of what school boards are and what education is all about, because the councillors are very busy; full-time jobs, better paid than trustees and they are constantly busy with their—well, you were a councillor, Mr Colle, yourself. To add on education, as if children, as if our future is something that you can tag on to the bottom of an agenda somewhere, is ludicrous.

I've been a trustee for seven years. I spend days going over our agendas and preparing, and the work of a trustee is quite complex. You have to understand provincial legislation. Educationally—you're not a teacher, but you have to understand what is being talked about at the meetings. You have to be in touch with the community, in touch with the schools. It's not something that could be added to somebody else's portfolio.

The Chair: Thank you very much and your time for your presentation—

Ms Rowley: Could I make—

The Chair: —I'm sorry—is actually a little bit beyond being exhausted. I want to thank you for coming today to appear before the committee.

Ms Rowley: Thank you. May I just note one thing though and that is that Mr Young's observations were quite inaccurate? They're not factual.

The Chair: No. I'm sorry. Again the time for your presentation is over. You may want to talk to him about that perhaps outside or through his office or in another manner, but we have to strictly adhere to the 30-minute time limit with all of our witnesses.

Ms Rowley: Surely it is important to be factual, however. The material that I indicated was in the bill is in the bill—

The Chair: I'm sorry, ma'am. Cut the mike, please.

Mrs Hill: Thank you very much.

The Chair: Thank you.

TOWN OF PENETANGUISHENE

The Chair: Could I please have Mayor Bob Klug from the town of Penetanguishene come forward. Good evening and welcome to the standing committee on general government. You have 30 minutes this evening to make your presentation. You may use that time as you see fit. You may decide to leave some time at the end of your presentation to entertain questions and responses from the caucuses. I'd appreciate it if you'd both read your names and your affiliations into the record for the benefit of both the committee and Hansard.

Mr Bob Klug: My name is Bob Klug. I'm the mayor of the town of Penetanguishene.

Mr George Vadeboncoeur: My name is George Vadeboncoeur. I'm the CAO, town clerk, for the town of Penetanguishene.

Mr Klug: I would like to thank you very much for the opportunity to address you tonight. I realize it's been a hectic day for you, and I'm sure you'd all like to be home with your families. I know you've been very busy listening to presentations on Bill 26, so my comments will be very brief.

I'm here today on behalf of council to present the town of Penetanguishene's position on schedule K amendments

to the Municipal Freedom of Information and Protection of Privacy Act. The town wholeheartedly supports the changes proposed under Bill 26 to the act. However, I want to state at the beginning that our position should in no way be construed that the town is against people having open access to information from a municipality. On the contrary, we are open and support the principle of open access. Most of the requests for information to our town are handled over the counter, and the public is quite pleased with the level of service. What we are opposed to is the abuse of the right to information granted under the act that occurs in our town and in other Ontario municipalities.

The town of Penetanguishene has a population of approximately 7,000 people on the shores of Georgian Bay, almost two hours by car directly north of Toronto. We have a full-time staff complement of 40 people, including 10 administrative staff. So far this year we have received 140 freedom of information requests, 137 from one individual. In 1994, we only received eight, as the result of an agreement put in place by the freedom of information commission appeals office between the town and the main requester, where information was sought over the counter rather than using the FOI act.

In 1993 we received 99 requests, in 1992 we received 165 requests, and in 1991 we received 442, which we condensed down to 47 requests. For comparative purposes, the city of Barrie, the next largest city to us, with a population of over 70,000 people, 10 times the size of Penetanguishene, had received 35 requests in 1995 to date; in 1994, 73; in 1993, 71; in 1992, 11; in 1991, 37. Our immediate neighbours have had even fewer. Tay township, for example, has had no requests in 1995. As you can no doubt appreciate, we have had a problem in Penetanguishene for a number of years.

As the head of the corporation for the purpose of freedom of information, I personally deal with each of the requests submitted to the town of Penetanguishene. The town's deputy clerk is the coordinator under the act, doing the research and preparing the responses. So far this year, the town has used over one month of staff time to respond to the 140 requests for information we have received, at a cost of over $5,000 to the town, not to mention the cost of my deputy clerk's lost time and his work that could have been done in other areas.

Located in the town of Penetanguishene is the Penetanguishene Mental Health Centre, which includes the Oak Ridge Psychiatric Hospital for the Criminally Insane. There is a patient in the hospital who takes pride in filing freedom of information requests. Although his activity in Penetanguishene has fallen off this past year, earlier newspaper articles had reported that he had put in over 2,500 requests as of 1992. In our view, it is these types of requests, and the kind we have been receiving from the same requester for the last few years, that are considered the frivolous and vexatious requests that the proposed amendments to the Municipal Freedom of Information and Protection of Privacy Act are trying to address.

Our member of provincial Parliament, the Honourable Al McLean, has been very helpful in trying to deal with the problem of frivolous requests. He introduced a private member's bill a number of years ago to institute some of the changes now proposed, but unfortunately the bill was never brought forward.

In 1994, we submitted a letter to the standing committee on the Legislative Assembly holding public hearings on the Municipal Freedom of Information and Protection of Privacy Act. The act was up for review, and the town thought this would be an excellent opportunity for change to be introduced. We made our submission, and no changes resulted.

We have tried various means to try and deal with the requests as over-the-counter requests, but to no avail. As long as the act is in place with its 30-day response requirement, advising a requester that you can't deal with the request immediately because of our other commitments does not work. Our own work is left behind. The person immediately files a FOI request and is assured they will receive a response within 30 days.

Recently, the freedom of information commission ruled on the appeal of a London Police Service decision that a series of requests to the police service were an abuse of process. When we called the commission, they advised us that this decision was made based on the specific circumstances of the London requests.

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The town of Penetanguishene is of the view that the principle of abuse of process established by the commission should be included with the amendments to the act. Whether a paragraph 4(1)(c) is added, or it is included with the regulations that give guidance to the head of a municipality in determining if a request for information is vexatious, it does not matter. It is important that the principle be included as a guide to municipalities.

We would also recommend that section 23 of the bill, clause 45(1)(a) of the act, be amended. We recommend that the words "or a portion thereof" be added after the word "hour" so that the paragraph reads, "the costs of every hour or a portion thereof of manual search required to locate a record." This amendment would make the application of fees consistent with the current act and make it clear that municipalities may charge fees for a portion of an hour used to locate a record.

We support the discretion provided the head of council to waive fees in cases of financial hardship or where the release will benefit health or safety. However, we would support the imposition of a minimum fee of $5, for example, to help cover the costs of preparing the record. For requests of personal information, we would recommend that only the minimal fee be required. If a request were refused, for whatever grounds, we would recommend that the fees be refunded but that the applicant be charged a minimal fee if he/she appeals the decision to the freedom of information commission. We feel this is consistent with the user-pay approach we and other municipalities are putting in place and is fair.

In conclusion, we are a small municipality that has done everything in its power to try and deal with requests for information from the public in an open and fair manner. We have been subject to abuse under the Municipal Freedom of Information and Protection of Privacy Act, and we can no longer afford to tolerate it. Council members and taxpayers are concerned that a senior

member of the town's staff spends in excess of one month of working time dealing with freedom of information requests that are frivolous and vexatious. We have tried to have the act changed in the past, and we have asked for assistance from the freedom of information commission, but to no avail.

We commend the government for finally making the changes that municipalities and related boards and commissions have been asking for for years. We hope you will consider the amendments we have put forward as improvements to the proposed legislation. We thank you for your time, and we would be pleased to answer any questions you might have of us.

The Chair: We have six minutes per caucus for questions. We'll lead off with the government caucus.

Mr Tascona: I thank you for your presentation. As the member for Simcoe Centre, Barrie, I'm a little astounded by the figures for information requests with Barrie versus Penetang, when your population is 10 times smaller and you had 10 times the requests. It's just amazing.

I am interested in the approach the government is taking with respect to the requests for information and the fee. As you've indicated, we are acting on the legislative standing committee's recommendations.

Your abuse of process request is certainly important. Obviously, it's been applied by the Information and Privacy Commissioner where there are an excessive number of requests and appeals collectively. I certainly believe that should be in the act, but perhaps more at the commissioner level if you're dealing with these as appeals. We've tried to front-end the process to allow municipalities to deal with the requests by refusing at the initial stage where it's frivolous or vexatious, and put together a process that has to be followed in terms of a written request, a fee and the type of information being requested.

The approach suggested by the commissioner was back-ended again, where that person would decide. But the problem is that you have to dig out the information, and that's where the cost comes into a situation like that.

I'm just wondering if you are comfortable with the approach the government's taking with respect to front-ending the decision about whether it's frivolous or vexatious.

Mr Klug: I would understand that the government of Ontario is giving or empowering the municipalities more freedom of discretion. We are grown-up children of the province, and if you put the right criteria together, we could save a lot of the workload the commission would have to do, because we would use that in reviewing all the requests and therefore we could handle them at the front end. But you also have to protect us in some area, and it's your legislation that will protect us from the abuse of process. We look forward to that remaining in there.

Mr Tascona: I think it's already in the jurisprudence of the IPC in terms of how to deal with this abuse of process, but I welcome the suggestion on that end.

With respect to the fees, I see you're looking at the cost of every hour or part thereof, but you're looking at a minimum fee, and you've put down $5. Are there other areas you'd be looking for minimum fees in terms of what you would have to do in dealing with the requests that come to you?

Mr Klug: We do log our time for how we handle a request and we follow the legislation that's in place to, first of all, collect the information that has to be collected, then reviewing the legislation to determine whether it meets the criteria for being able to be released. My employee does all the legwork and I get the credit, I suppose, if you want to call it credit. I have to review the requester's request. With the information in front of us, my employee and I sit and review it and decide that yes, we can release it, or no we can't.

When you are dealing with one, it's fine, but when you get 12 to 15 in one day, the work he was supposed to do that day is now put off. In the small municipalities, it's a very difficult process. Maybe the city of Barrie could handle it; it's got a lot more employees. But that's the problem.

Mr Tascona: In a situation like that, where you have 12 requests in one day by the same individual for trivial information, that certainly would be a frivolous or vexatious request and you could refuse.

Mr Klug: The fee would—I always believe that if it hits the pocketbook, he's probably going to be a little more conscious about making sure he knows what he's looking for, that he's leading towards something. I have no problem with giving information; the democratic right is that they should have that information. But it's the number, and quite often there's no follow-up, once the information is out there, where he's going with it.

Mr Colle: It's ironic that on one hand, in Bill 26 this government is giving itself more powers to get into personal medical files and access personal, confidential medical information, yet in this situation you're applauding them for restricting the public's right to find out what the government is doing at the municipal level, what the government is doing at the provincial level.

The astonishing thing is that you're saying essentially most of these requests are coming from someone in a mental institution—

Mr Klug: No.

Mr Colle: —and because of these requests, from someone who's obviously mentally unstable, you support this government making this unilateral, sweeping change to the public's right to know right across this province. You yourself have stated that the city of Barrie, for instance, doesn't have a serious problem because perhaps it doesn't have an individual like you have. It's unfortunate that—

Mr Klug: Excuse me. You're using my time and I don't think you really have understood the presentation.

Mr Colle: I have the floor. You would expose the rest of Ontario to this lack of access to information that is theirs, is public information. Sure, it's messy and sometimes it's costly, but what price do you put on the public's right to know? Perhaps you have a certain price threshold, but I ask you, what is the price of the public's right to know? Why will you deny them this right to know right across this province? It's because you've got some person who's very, very sick in your municipality who's abusing the system.

Why not deal with that individual who's abusing the system rather than give these unbelievable restrictions to the public's right to get their own information and put fees on them and make them pay for manual search, preparing of records for disclosure, computer and other costs incurred, locating, retrieving. What's going to happen to a person who doesn't have money who wants to get information?

2050

The last question I'll ask you is, what if the person coming to a municipality wants public information about the head of your municipality and the head of the municipality is in control of who has the right to access information? Isn't there a bit of conflict of interest there for that head to have that control?

Mr Klug: May I?

Mr Colle: Yes.

Mr Klug: I don't think you understood the gist of my presentation. The one person we talked about from the mental institution has not been the problem, although he was in the past. The document I have left with you also explains, through some news clippings, that this gentleman, who wasn't the main thrust of my document, has in the past been able to access the actual blueprints of the maximum security.

I'm not denying the public's right to access information. I've always been a liberal-thinking mayor who would say that if someone financially were unable to pay the fee, I would waive the fee. What I'm asking for is that the abuse of process where one person can now almost have my employee dance like a puppet on a string—that we put something in place that will protect us, if it has to be a fee-for-service, from any one person from overpowering us.

Mr Colle: But what about the conflict that you will decide what fee and when to waive it. Isn't that a bit of a conflict of interest when you have the public asking for information on perhaps what you spent your money on in expense accounts as a councillor or as a mayor? When they come to you and you've got to make that decision, how are you going to make that decision about whether to waive a fee in all true objectivity?

Mr Klug: Perhaps there's a case where, if someone felt that the mayor was abusing the process of his leadership, the commission would have to come in and become the arbitrator, or certainly someone who would have a clearer picture, who doesn't have a conflict of interest in thinking he has some secret reason to denying someone information. Perhaps you are not as closely attached to the problem as I am in my municipality.

Mr Colle: Maybe that's the problem. You've been too closely attached to it to see that what this bill is doing is holus bolus disallowing the public's right to their information, which they pay for, in every city and town across Ontario and in every government ministry because you've got some nut case who's driving you crazy. You want to do this to the people of Ontario because you've got a problem.

Mr Klug: I'm sorry. That's hogwash.

Mr Silipo: I'm curious to understand a little better the situation you're experiencing because there's something I haven't quite understood in what you said. I think it's fair to say—and correct me if I'm wrong—that the essence of the problem you're facing does come from one individual—

Mr Klug: For the most part.

Mr Silipo: —in your view submitting an inordinate number of requests.

Could you explain the difference between 1994 and 1995? In 1994, you indicated there was some agreement reached which reduced the number of requests from that individual. I'm curious about what happened then versus what's happened in 1995, and also why you haven't been able to use the abuse of process approach to deal with that, if that's what you believe it is. When the Information and Privacy Commissioner was here, he made the point very strongly to us that there was a process in place to deal with exactly this type of situation that you're describing, so I'm puzzled about why it hasn't been followed in this instance.

Mr Klug: When we started to realize that a member of my employ was actually being taken away from us to handle the requests, we thought we should get some information from the commission. We had them up and we actually had the primary requester sit with us and develop an understanding. We can handle business equally well over the counter, because we're not a closed shop. We're open to the public. We have cameras in our chambers, and everything we do other than very sensitive personnel matters or financial or purchases are out there. We do not deny them that information.

For a while, the idea of working over the counter was handled well, but for some reason we have offended him and he uses the big club. The big club is the FOI, because he knows he can make you dance with it. You have 30 days. We tried in the last month to basically postpone, defer, so now many of the requests are sitting on the commissioner's table. We wanted to show them the mass of files we have at our counter, that they must have on their counter, to say, "This community has a problem." When he feels he was not satisfied, that he was in some way not treated the way he would like to be, he then falls into the FOI.

Mr Silipo: I have a concern about what you're describing. I don't for a second make a judgement upon this particular situation and what is happening. I take your description of it at face value and I'm not arguing in the least with that. But I do have a concern that if there are problems like this—and we know there are, there are issues. I can tell you there was a private member's bill in the Legislature a couple of weeks ago on this very issue, and I supported a change in the legislation to deal with requests that were vexatious. But I have concerns about the sweeping nature of the amendments we have in front of us, because I agree with the commissioner when he says it is going far beyond what we need to control these very limited situations of abuse.

Your main concern is around limiting these abuses, is that fair to say? If there's a less intrusive way of doing that than putting in legislation that seems to limit the rights of people right across the province in a significant way, wouldn't that be more sensible?

Mr Klug: We looked at a fee for service as one aspect of it, at perhaps numbering the number of requests

per month per applicant—any means that would allow my employee to do some of the work that's now amassing on this side because he's over here dealing with this pile. The fee, because everyone's sensitive to the dollar, would be a mechanism that would certainly affect someone who was using the volume of requests. As head of council, if someone did come to me and didn't have the $5, if it happened to be $5 that was set, we are understanding people and that would be waived.

Mr Silipo: I'd just say that I hope you would understand the concern some of us are expressing, which is not contrary to what you're saying in terms of the need to limit abuse of the process and of the right to access information, but we feel we need to make sure that along with that there is a also a continuing ability of the public to get information about themselves and about their governments.

Mr Klug: I wholeheartedly agree, and I very much underline that sentiment of the democratic right.

The Chair: Thank you very much, gentlemen, for coming in tonight and making your presentation to our committee.

Mr Klug: I thank you, and I wish you all a very Merry Christmas and a Happy New Year.

The Chair: And to you too.

We're going to adjourn for the evening until tomorrow at 9 o'clock in committee room 1. First, Mr Hardeman has a point of clarification to make.

Mr Hardeman: Earlier, when the regional chair of York was here making a presentation, he discussed a section of the act as to a bylaw that would be in effect and the changing of powers. At the end of it I read part of the act and said that once it was in place it was always in place. To that section that would be true, but there is another section of the act that does allow a process for that to be reversed by the consenting municipalities.

The Chair: Thank you for that clarification, Mr Hardeman.

Mr Hardeman: Incidentally, Mr Chairman, I did make that clear to Mr King before he left, so he is aware of that too.

The Chair: Thank you. Adjourned till tomorrow at 9 am.

The subcommittee adjourned at 2100.

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Vice-Chair / Vice-Président: Tascona, Joseph N. (Simcoe Centre / -Centre PC)
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*Tascona, Joseph N. (Simcoe Centre / -Centre PC)
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*Young, Terence H. (Halton Centre / -Centre PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:
Cooke, David S. (Windsor-Riverside ND) for Mr Wood
Crozier, Bruce (Essex South / -Sud L) for Mrs Pupatello
Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître
Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Also taking part / Autre participants et participantes:
Colle, Mike (Oakwood L)
Ecker, Janet (Durham West / -Ouest PC)
Silipo, Tony (Dovercourt ND)

Clerk / Greffière: Mellor, Lynn

Clerk pro tem / Greffière par intérim: Deller, Deborah

Staff / Personnel:
Pond, David, research officer, Legislative Research Service
Richmond, Jerry, research officer, Legislative Research Service

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

Evidence subcommittee

Friday 22 December 1995

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Vendredi 22 décembre 1995

The subcommittee met at 0904 in committee room 1.

SAVINGS AND RESTRUCTURING ACT, 1995
LOI DE 1995 SUR LES ÉCONOMIES ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficience du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

WILDLANDS LEAGUE

The Chair (Mr Bart Maves): Good morning. Could Mr Tim Gray from the Wildlands League please come forward. Welcome to the standing committee on general government. You have 30 minutes today to make your presentation. You may use that time as you see fit. You may want to leave some time at the end of your presentation for a response and questions from the three caucuses. I would appreciate it if you'd read your name and your organization into the record for the benefit of both the committee members and Hansard.

Mr Tim Gray: Good morning. My name is Tim Gray. I'm the executive director of the Wildlands League, which is an Ontario chapter of the Canadian Parks and Wilderness Society. Our organization is a private, charitable conservation organization. We were established in 1968 and have worked to complete a network of protected areas across the province as well as having had a long-term involvement and concern over our sustainable resource use and land use planning both in southern and northern Ontario.

Our comments today on the Savings and Restructuring Act are restricted to what we see as some of the potential environmental implications in areas of which we have some experience. It's not meant to be an exhaustive review of the environmental implications of this bill but, rather, focuses on the areas in which we have considerable experience.

I'd just like to note as well to the committee that preparation of a review of this bill was made more difficult by the short time period in which the public was provided with notice that preparation of briefs would be received and by the fact that many of the regulatory changes that are considered through the legislative changes to these bills are unavailable for public review and therefore make our comments more difficult to determine.

I'd also like to refer the committee to a more thorough analysis of some of the legal and environmental implications of this bill through reference to a brief that will be submitted by the Canadian Environmental Law Association.

As I mentioned at the beginning of my presentation, I will restrict my comments to the changes proposed to the Conservation Authorities Act, the Public Lands Act and the Game and Fish Act, and start with the Conservation Authorities Act.

In southern Ontario, conservation authorities, because they are based on a watershed basis, are involved with local community organizations and municipalities. Because they are one of the largest holders of public land and land with high natural values, such as wetlands, river floodplain, forests, provincial forests of significance, these authorities are one of the most important vehicles for conserving natural heritage and quality of life and quality of ecosystem function in southern and central Ontario.

We're very concerned that the changes proposed to the makeup, administration and continued operation of conservation authorities will threaten their ability to continue to operate and threaten the existence and continued function of a lot of the lands that they hold.

The change to the conservation authority boards that will remove provincial appointees I think is unfortunate. I'm sure most of you have some familiarity with the structure of conservation authority boards and how they're appointed. Municipal government appoints people to these boards from the local community. The provincial appointees are also people who live in the local community but are selected by the Ministry of Natural Resources in consultation with others. These provincial appointees help to broaden the representation of opinions about how conservation authorities should carry out their mandate in the local area.

If cost is a consideration and the per diems that are paid for people to attend board meetings are the principal concern about why the province can no longer afford to have provincial appointees, it would be a relatively simple task to change the board appointments to the conservation authority to being on a volunteer basis, reducing the cost implication to zero for the province but still hav-

ing the ability to appoint people from the provincial level who would be able to add a perspective that may not be achieved through appointments made only by municipal governments. So I think it's very important that these provincial appointees remain on these committees.

We're also concerned that dissolution of CAs, the conservation authorities, if that does occur, as has been proposed by changes that would allow municipalities to vote to dissolve the CAs, would then leave open the question of what happens to the lands which they own. As I pointed out earlier, a large amount of the publicly owned land in southern Ontario that has high conservation value is owned by conservation authorities. I'd just like to walk you through an example that I think makes it more realistic instead of talking in generalities.

0910

On the north shore of Lake Erie is the Long Point Region Conservation Authority. We've had a project of restoring native prairie grasslands and woodland to that area on the north shore of Lake Erie for the last five years. We've done that in partnership with local community groups, the Ministry of Agriculture, Food and Rural Affairs and the Long Point Region Conservation Authority. That area contains the Carolinian forest area of Canada. It has the most endangered species of any habitat in Canada; 40% of Canada's endangered species live in the forests and wetlands along the north shore of Lake Erie.

In the Long Point Region Conservation Authority watershed they own 11,000 acres of land, of which approximately 9,000 are forested. This comprises fully 10% of the remaining forested areas within that watershed. Not only is it 10% of all remaining forested lands; the areas owned by the conservation authority tend to be of the highest quality of the remaining forests that are left. So their value from a conservation perspective is greatly enhanced beyond the 10% of the land cover that they make up. This is because the forest tracts that are owned by the conservation authority are larger, more intact, less riddled by roads and have a history of more proper management than some of the smaller, fragmented woodland remnants that are privately owned.

If these areas were sold off or turned into some other land use, such as agriculture or real estate development, we could expect to see an increasing loss of species, an increasing listing of species on to the endangered list, decreasing quality of surface waters as the forest areas were no longer able to protect the headwaters of streams flowing into Lake Erie and a reduced quality of life through to lack of recreation opportunities in southern Ontario.

In our brief, we've listed some of the 68 species which are considered extremely rare to uncommon in southern Ontario, and all of them occur in Long Point Region Conservation Authority forest. I won't test your Latin by running through the entire list of common names and expect you to know what they are, but there's an incredible diversity of plant and animal species that have nowhere else in Canada to live except in some of the forests that are in publicly owned lands in southern Ontario. Any move to have these lands sold off would be of great ecological harm to this province.

I would also like to point out that a large percentage of the lands owned by conservation authorities, like the Long Point Region Conservation Authority or any others, were acquired at great private and public expense. Organizations such as Wildlife Habitat Canada, the Nature Conservancy of Canada, the Ministry of Natural Resources, small community groups, all of these people have worked very hard to raise money on a local level to purchase lands which were then turned over to the conservation authorities for long-term management.

When people donate land to the conservation authorities or when community groups buy land and turn it over for management to them, they have done that with the understanding that these lands are to be protected in perpetuity, not that they are to be at a later date sold off to generate revenue. I think that would both be a violation of a moral obligation for these lands to be protected as well as something that would send a very, very negative message to community groups and organizations that are working very diligently at the private level to ensure that significant lands in southern Ontario are protected.

I also think that the awareness of people across Ontario and across Canada for the value of our disappearing natural heritage and for the value of these areas enhancing quality of life is increasing yearly. You only need to look to what's happening in the schools, in the education programs, what's in the media. People are very aware that these are significant issues.

I think moves to allow these areas to be destroyed after years and years of hard work to protect them will be received very negatively by the public in most communities across southern Ontario. That is only going to serve to increase local conflict and local tension in an era where over the last several years we have moved to have a new vision of what proper use of natural areas and wetlands in southern Ontario should be. We are moving in the right direction. Anything that moves us in the opposite direction is both ecologically dangerous and, I feel, irresponsible at the community level.

My next comments are in regard to the Public Lands Act. The Public Lands Act, as it now stands, includes a statutory list of activities for which permits must be obtained from the Ministry of Natural Resources before undertaking activities on public lands. The modifications to the act suggest that that statutory list should be removed and instead individual activities will be listed by regulation that will come underneath a requirement for a work permit to be obtained.

The list of regulations that would apply to particular activities is not available at this time, but because the intent of this act is to move from a statutory list to a regulatory list, I can only assume that the intention is to have fewer activities required to have a work permitting process. The Minister of Natural Resources, in his address introducing this act, estimated that the number of work permits for operations on crown land would drop from 55,000 per year to 5,000, which is a fairly significant decrease in the number of work permits. I'm assuming that the regulations are going to be more permissive than the statutory list that exists now.

I'd like to give you a couple of examples of how that would play out in two areas of the province: one in central Ontario and one in northern Ontario. Central Ontario, as you know, is a mix of private and crown land, the area around Muskoka-Haliburton being sort of equally divided between publicly held lands and private lands, so there's a careful balance that needs to be maintained between protecting the interests of the public and the public ownership and allowing private developers and private individuals to carry out activities on their land which they want to do, for whatever reason.

The work permitting process, contrary to being something onerous, is I think a positive way to resolve difficulties between individuals and the public interest. Requiring that a work permit be obtained, for example, for a developer that wants to build a road across a piece of crown land to access an area where they want to build a subdivision, that permitting process requires that the individual has to go and talk to the biologist at the Ministry of Natural Resources, and they have to talk to the planner and they have to talk to the people in charge of aggregate production so there can be some assessment of what the values are at stake if that road is built. Nine times out of 10, the process in that discussion is resolved, and any necessary mitigation measures are written into the work permitting process and the permit is issued, but the values that are important are protected and the operation goes ahead.

Similarly, on shoreline development, all through Muskoka, all through the Huntsville area, Haliburton, there are increased levels of cottage development along lakes, and it is very important that fish habitat and shoreline values be protected. The work permitting process that goes on when docks or marinas are built allows that discussion to occur between the developer or the individual and the ministry to ensure that any docks or other developments that are built are done in such a way as to minimize or avoid negative impact on the natural values in the area.

If it's no longer required that docks, shoreline development, roads over crown land require a work permit and therefore no negotiation with the Ministry of Natural Resources staff, the ability to have that back-and-forth discussion leading to a reasonable solution so that both the development can go ahead and the environment can be protected, we'll be left in a situation where the people wanting to undertake a project won't seek a work permit but will go ahead with their activities, the damage will be done to the environment if it's done improperly, and the Ministry of Natural Resources staff and the public will be left in a situation where they have negative environmental harm and then have to take either corrective measures or private prosecutions or public prosecutions under the federal Fisheries Act or under other pieces of legislation to bring damages to the people who have caused the harm. That is not a cooperative or useful way to proceed both in terms of relations between the private sector and the public, and it's also not an efficient way to protect the environment because you're trying to reverse damage that's already been done.

Moving a bit farther north where the majority of land is crown land, north of the French River, and where the Ministry of Natural Resources is largely the agency responsible for resource management planning and land use planning, it's very important when mineral staking activities, prospecting activities, logging road development are going to occur, that there also be this negotiation between the people who want to carry out the activity and the agency responsible for ensuring the perpetuation of a broader set of values than may be of interest to the individual or company.

0920

I'll give you a good example that's occurring right now in Temagami. There's development of a land use plan there, a draft of which just came out yesterday, and there is concern that there is an area of relatively high mineral potential in the headwaters of Lady Evelyn River, which flows into Lady Evelyn-Smoothwater Wilderness Park. There's been a long-standing concern that northeastern Ontario's only wilderness park does not even contain one complete watershed that is protected, and Ministry of Natural Resources staff as well as the public have endeavoured to try and have this area added into the park. The Ministry of Northern Development and Mines has stated that it's concerned that it doesn't want to lose an area that is a potential site for a mine, but that the ministries of Natural Resources and Northern Development and Mines would enter into negotiations to determine what sort of work permits would be allowed in this very sensitive area to ensure that values were not damaged.

If this act goes through the way it is now and does not require work permitting for prospecting or for mining activities but instead allows only the protections provided by the Mining Act, the ministry will have no opportunity to enter into those negotiations with the prospectors or with the miners. That will only lead to increased environmental damage and increased conflict with the public.

My confidence that those activities can be undertaken in that area on a sensitive and responsible basis will be weakened, and the public will be left in a more polarized position with the mining industry in any area where they want to see values protected. We will have no mechanism to ensure that that negotiation will occur and that the values will be protected. That will force a change in attitude and a change in the relationship between the public and individuals who want to undertake activity on crown land.

I also think that changes to the Public Lands Act could really be a disservice to developers, to individuals and to mining and prospecting companies over time. I realize that everybody's looking for the least amount of bother when they're carrying out their activities and they want things to be clean and simple, but there is a relationship between private undertaking and public responsibility that has to be recognized and respected.

If there is a change to the way these procedures are allowed and there is open season on crown land outside of our few protected areas in this province, I can guarantee you that over time the public will find that very unacceptable. In the future, for the very industries seeking massive deregulation and simplification of the way they are allowed to access crown land, the reaction to that may be, as we've seen in other provinces and other jurisdic-

tions across Canada and across North America, a move to incredible overregulation as a response to both perceived and real environmental harm.

There are some good examples of that in British Columbia recently with what's happened with the Forestry Act out there. Their new Forestry Act is as thick as the bill that's before us today, and every single activity in that province is regulated and legislated: how many metres you can be from the river, how many trees you can cut down, how you have to do this and how you have to do that. The reason for that is incredible public outrage over the mismanagement of forests in British Columbia, and the government's response to that has been to develop an incredibly detailed, prescriptive piece of legislation.

I don't think people should underestimate the ability or the desire of the public to have a healthy and clean and well-managed natural environment, and any attacks on that will come back to haunt the very industries that may wish absolute freedom to operate in any manner they want. For every change, sometimes there's a counterchange. If things are basically working fairly well now, it's very, very important to consider what the future implications are of making a drastic change to exclude the public from discussions about what should happen with public lands.

Last, I'd like to make a couple of brief comments on the Game and Fish Act. We definitely welcome the creation of a separate account under the consolidated revenue fund for the management of wildlife. We also welcome those changes that were brought in by the previous government to create consolidated funds for forestry activities to allow for more effective spending of money on regeneration activities in the province. We are concerned, however, that the total amount of money available for wildlife management will drop, and we'd just like to point that out. The $42 million that would be in this fund is somewhat less than the current $68 million a year spent by the Ministry of Natural Resources on wildlife management, so it is important to note that the actual funds available may be substantially less.

We would also like to indicate that we are concerned that the moneys be used for management of wildlife beyond merely fish and game to a broader base that includes other wildlife values. I think the way to do that is to ensure that the advisory committee established to oversee the disbursement of funds from this is inclusive of people beyond those—and I'll quote the minister in his comments—"with an interest in commercial and recreational use of fish and wildlife resources."

You are probably aware that the revenue generated from non-recreational and commercial use of fish and wildlife in this province is much greater than that generated by actual use, and that includes birdwatching and nature viewing, hiking, people coming to this province to experience something you can experience very few other places in the world any more. Those values need to be considered when decisions are being made, so there needs to be something very strongly worded that requires the inclusion of people who are not interested in wildlife purely for a recreational-commercial purpose.

Last, we do support the changes to the Ministry of Government Services Act to allow the provision of significant conservation lands. We would also like to see that section amended to require that those lands be acquired to be protected and not acquired for their values.

With that, I would conclude, and I'd like to answer any questions you may have.

The Chair: Thank you, Mr Gray, a very thorough presentation. You've left five minutes for questioning, so a little less than two minutes per caucus, starting with Mr Colle.

Mr Mike Colle (Oakwood): Thank you, Mr Gray, for coming here today. Briefly, in the time allotted, what do you think is the main rationale or the main objective of these changes to the Conservation Authorities Act? What is the government trying to achieve?

Mr Gray: I'm not sure.

Mr Colle: You have no idea why they would make these changes? Don't you think that one of the objectives is basically to make it easier to sell off protected lands that are now under conservation authority protection?

Mr Gray: I'm hoping that wouldn't be an objective, because that doesn't seem to me to be a very worthwhile objective. I'm at a loss about why this is happening, because that to me seems such a ridiculous objective to have, I can't imagine why someone would want to have that.

Mr Colle: Why else would they make it easier to dissolve an authority? Why else would they give this minister the power essentially to sell off the assets?

Mr Gray: That's a good question. I don't know.

Mr Colle: Another group here last week, the Canadian Institute for Environmental Law and Policy, said that these amendments to the crown public lands "could mean open season on Ontario's public lands and waterways in exchange for a marginal saving to the Ontario taxpayer. Anne Mitchell, the institute's executive director, told the legislative committee holding public hearings on the bill the proposed changes have been estimated by the Ministry of Natural Resources to be likely to produce savings of $1.5 million a year." Are they imposing those changes on the use and the permits allowed and the process allowed on crown lands and public lands to save money?

Mr Gray: I don't know what the actual cost of having ministry staff discuss development proposals or work permits would be across the province, because that does require people to sit down and discuss what's going to happen. I think the issue here is not whether $1 million is spent on staff time to do this, but what is the overall public benefit to this. I do not think it is in the government's best interests or in industry's best interests or the public's best interests to have a wholesale dismantlement of a process that essentially works to regulate activities on crown land.

0930

Mr Tony Silipo (Dovercourt): I just want to go back to a couple of comments you made at the beginning of your presentation, one comment in particular, when you said that people donated money or made contributions towards the purchase of lands that are now under the authority of the conservation authorities with the clear understanding that these lands would be maintained in the public trust and the public interest and not sold off.

That, and the question of time that you addressed as well, in terms of there not being adequate time for these issues to be discussed, is certainly one of the issues we've heard a lot about in this committee.

Would you support a delay of this legislation going forward so that those kinds of issues could be discussed further and a better understanding reached among the public about the implications of some of these changes in this bill?

Mr Gray: Yes, I think I would. As I mentioned in our brief, I think the act would be more effective if it were divided up into sections so it could be discussed more thoroughly.

Mr Silipo: Is there anything in this bill, even including the things you said you do approve of, that in your view needs to be approved in a very short period of time, that could not be held off for another couple of months for further discussion?

Mr Gray: No.

Mr Terence H. Young (Halton Centre): Thank you very much for expressing your opinions and your support for the Game and Fish Act. I agree with you that it's a very positive move.

With regard to the dedicated account for wildlife management, you say that you want people who are engaged in hiking, birdwatching and nature viewing as part of the committee or as part of the process, but my definition of "recreational" would include those activities, and I believe it does. I just wanted to reassure you that I support the idea. Those things will be rolling out and I think it will support that.

Also, your comment on the wildlife fund, the amount at $42 million—that fund could grow and likely will grow as more people become involved and more people are buying licences etc. I wanted to reassure you about that also.

With regard to your concern about provincial appointees to the conservation authorities, we've had some people giving presentations here expressing the fact, and I share their belief, that the level of government that's closest to the people, and in this case closest to the land, is the easiest to influence. So if people had concerns about conservation lands in different parts of the province, with this new law, they won't have to come down to Queen's Park to express their concerns and they don't have to do all these long-distance phone calls. They'll be able to go to their local level of government, people who are their neighbours and people they vote directly for in municipal government, and express their concerns. Doesn't that make sense to you that they'll be able to exert influence a little more easily?

Mr Gray: I think that's not the case, because the municipal governments appoint people to conservation authorities from the local area, as does the provincial government. People from the local area and people concerned about conservation authorities in their area go to that board, they don't come to Queen's Park. It's a question of the balance, of who's doing the appointing on that board, not where people go to have input on their local area. I definitely agree that people are concerned mostly about their own area, for sure.

The Chair: Thank you, Mr Young. That's exhausted the time. I'd like to thank you for coming forward to make your presentation to the committee today.

RICHMOND HILL CHAMBER OF COMMERCE

The Chair: Could I please have representatives from the Richmond Hill Chamber of Commerce come forward. Good morning and welcome to the standing committee on general government. You have 30 minutes today to make your presentation. You can use that time as you see fit. You may wish to leave 10 minutes or so at the end of your presentation to entertain response and questions. I would appreciate it if for the benefit of Hansard and the committee members you could read your names into the record.

Mr Jim Chwartacky: Everybody should have our handout material. With that, I would just like to go through it. Good morning. My name is Jim Chwartacky. I'm the president of the Richmond Hill Chamber of Commerce. With me is Barb Scollick, our general manager. We are pleased to appear before the committee today on behalf of our members on Bill 26, the Savings and Restructuring Act.

Our submission is concerned primarily with those sections dealing with municipal government, section M.

By way of background, the Richmond Hill chamber has a membership of just over 500 members. Our members are small, medium and larger-sized businesses. They come from almost every sector of the economy. We are the voice of business in our community. As such, part of our mandate is to speak out on our members' behalf to all levels of government.

We would like to commend this government for taking the initiative through Bill 26 to restructure its operations through reducing spending, amalgamating ministries, downsizing the civil service and changing the rules so that municipalities too may respond to the need to revamp their structure. The restructuring should improve the financial strength of the province. Also, it sends a strong message that Ontario is willing to work with the private sector to foster growth and create jobs.

On schedule M, amendments to the Municipal Act etc: First of all, municipalities are given very broad powers to impose fees or charges for any services or activities provided by them via subsection 220.1(3). We support the idea of modest user fees charged by libraries, parks and recreation programs, pools, arenas and other public services. However, user fees should not apply in emergencies where fire, police or ambulances are required, either by a resident or a non-resident of that particular community.

Further, although the Minister of Municipal Affairs and Housing has the power to make regulations limiting or imposing conditions on the impositions of fees or charges, we would request that there be greater definition given to the types of fees and charges permitted under this section.

It is our concern that a municipality could impose fees that (a) do not correspond to the value of service being provided, and (b) could be used for the sole purpose of raising municipal revenues, not specifically related to any

activity or service provided. This section could be improved by requiring that municipalities be limited to charging fees on a value-for-money basis.

In 220.1(3), provision is made for municipalities to pass bylaws to impose "fees and charges that are in the nature of a direct tax for the purpose of raising revenue." This is in addition to property taxes, business occupancy taxes, user charges, licensing and development fees. This raises questions and some concerns.

First of all, with access to additional revenue sources, will the municipalities, over time, increase their spending? Second, does this open the door to wrangling over taxes between the province and the municipalities, not unlike what we see between the general and provincial governments? And third, should the municipalities expect a further downloading of programs from the province as we have already seen the federal government do to the provinces? These are some of our concerns.

We would express reservations about 220.1(9), which denies the right to appeal fees or charges levied by a municipality or local board to the Ontario Municipal Board on the grounds that they are unjust or unfair. Since this is a situation of dealing with, in effect, a monopoly, there needs to be the opportunity for people who may have extenuating circumstances to have the right of appeal.

I want to bring out the fact that certainly privatization, contracting and franchising have been used successfully to reduce costs in many areas. We support the competitive environment where both municipal departments and private sector providers bid on providing the public service to a standard set by the municipal council.

Although municipal politicians have called for the curtailment of the decision-making autonomy of special-purpose boards and agencies, the proposed legislation has opened a way for direct influence on these boards by elected officials. We feel that the decision-making autonomy of the local boards should remain intact and beyond the direct influence of the politicians. They will be dependent on the municipal councils more and more as provincial grants are withdrawn, thus giving the politicians enough control through the normal budgetary process.

0940

Some commentary on GTA governance: We applaud the legislation which makes possible the reconfiguration of the GTA, either by the local jurisdictions or the minister.

If left up to the 30 municipalities and five regions, there is little possibility of a consensus and, consequently, any change. However, the legislation provides an opportunity for the municipalities themselves to submit their own plan for restructuring which the minister can implement by regulation. Should this process fail, the minister can appoint a commission to develop a new plan which can be implemented by the minister.

We do have some comments on a few other schedules. Although our main focus is on schedule M dealing with municipal government, we would like to comment on several others.

First of all, on schedule B, the amendments to the Corporations Tax Act, section 7: We commend the government for carrying forward the 1994 Ontario budget proposal to provide an Ontario innovation tax credit for research and development carried on in this province. This is important to the Richmond Hill business community which has a high concentration of high-tech companies.

On schedule F, health services restructuring, part IV: This section gives "the minister power to collect, use and disclose personal information for specified purposes and to enter into agreements for the exchange of personal information for specified purposes." We can appreciate the government's goal to reduce the amount of fraud in the health care system. However, we believe that a better definition of "to collect, use and disclose personal information" is absolutely necessary to protect the privacy of patients.

In conclusion, we applaud the government's determination to get matters resolved in a quick and effective manner. However, we would caution that there are some sections in Bill 26 that are too vague and left to misinterpretation. There could be some costly impacts on the business community which would offset the government's agenda of clearing up the red tape and letting businesses create jobs.

Thank you. That is our submission.

The Chair: Thank you very much. We have about six minutes per caucus. We'll start with Mr Silipo.

Mr Silipo: Thank you very much for the presentation. I just wanted to start by noting that I'm glad we've had the opportunity to hear from you and to have these hearings, which wouldn't have been otherwise possible if we hadn't insisted as an opposition. One of the things that strikes me the most about your presentation is that you seem to be—and please correct me if I haven't categorized this correctly—in support of the general direction, but none the less you have a number of concerns that you're suggesting need to be addressed by specific amendments to the legislation, in some cases.

I want to start from the back and work backwards to address some of the points. On the GTA governance, we've had this position, the position you take here and taken by a couple of other groups; specifically, the one I remember is the board of trade here in Metropolitan Toronto. It's the government's position, you should know, that the provisions of Bill 26 do not affect the reconfiguration of the GTA; that isn't covered by this bill. I don't know if that changes your view at all, but I just wanted to point that out. Presumably there will be further changes that would come from the legislation, following the report on the GTA.

I wanted to address a couple of other issues you have in your presentation. Beyond the question of fees that I want to get to as well, if we have time, would you be concerned, if it were possible under this legislation, as we believe it is possible and as in fact even the minister has admitted is possible and certainly various municipal politicians have said is possible, for direct taxes to mean gas taxes, sales taxes, possibly even income taxes to be applied directly by municipalities? Is that something you would support or oppose?

Mr Chwartacky: Subject to, if you will, the bold print we have in our point 2. There has to be a balancing-

off effect. It has to go hand in hand, I would suggest, with the existing level of taxation provincially and federally. Therefore, there's only so much tax room for taxpayers to pay and we'd be concerned about increasing direct taxes.

Mr Silipo: One of the concerns we're flagging is that if part of what the government is doing or a great part of what their direction is based upon is the concept that there's only one taxpayer and that in their view we need to reduce the level of spending by all levels of government, it seems somewhat contradictory to us that they would be putting so much emphasis on the one hand on reducing provincial taxes through their promise to cut taxes by 30% while at the same time simply shifting to the municipality the right to tax, which now exists largely at the provincial level. Doesn't that seem to you to be a bit of a contradiction?

Mr Chwartacky: I think they're trying to put it, as I would interpret it, to some extent to the municipalities. Yes, you wouldn't want an increase in overall taxes. We would not favour that. There would have to be some balancing effect between the provinces and the municipalities, so that the overall impact to the taxpayer is truly kept minimized as this government is suggesting it wants to do.

Mr Silipo: What logic do you see, given its fiscal position, in the government's actions of allowing municipalities to charge not only a variety of user fees—and I appreciate your comments about the need for those to be limited to a value-for-money basis that is to correspond to the value of the service being provided—but beyond that, what logic do you see in the government's actions in allowing municipalities to levy direct taxes that would just simply fill the void that is created by provincial tax cuts to municipalities?

Mr Chwartacky: In principle, if there are services that the municipalities will be providing that in effect are downloaded to them, I think there's room to raise revenue via direct tax because they're providing extra services, if welfare or something like that is downloaded to them.

But there should be a quid pro quo, we would suggest, whereby the overall tax burden is combined, let's say federal and provincial are not increased. Hopefully, this would be garnered through greater efficiencies through the mechanisms provided by this bill, so that the services to the end user can still be effective, not wasteful, and good, and the balancing between whether it's provincial or municipal is still kept at a minimum.

The Chair: Excuse me. Sorry to interrupt, but I'll move to the government caucus.

Mr Ernie Hardeman (Oxford): Good morning. I'd just like to go to the issue again of the user fees and the direct taxation. From your presentation I take it that the chamber supports the principle of user fees to pay for services that are required, but not as a way of raising extra revenues to pay for new services beyond what they're being charged for.

Mr Chwartacky: We're okay with user fees being charged on a value basis. In effect, the municipalities have a monopoly over provision of certain services and they have to be fair and just and not a sneaky way, so to speak, to charge high fees or fees that are not related to the nature of the service being provided as a way of raising extra tax revenues.

0950

Mr Hardeman: Agreeing with that principle, you suggest that the user fee should be value for money on whatever service the fee is being charged for. That would tell me that your position would be that you would not be wholeheartedly supporting those taxes that were being referred to. Incidentally, the minister has said that in his opinion these gasoline taxes and income taxes and so forth are not allowed under the act.

Assuming that was not the case, you would be suggesting that because you could not attach actual value for the service to that type of taxation—what would you suggest that we could put in the bill that would prohibit that from happening? Or do you believe that this needs to be done? Are you of the opinion that the local municipality could be given the authority to do it but would not do it because it's not accepted by the people? In fact they have to be held accountable every three years.

Ms Barbara Scollick: I'd like to answer this because I was working around with this in my mind this morning. We have to have parameters on the taxes so they're not going to do what you're saying. They're going to respond to the will of the people. But let me put it to you this way. It could cost business a lot of money in a couple of years. A council has a three-year term. If they chose, in the first term, to put in a series of taxes, people will be used to them and they'll elect them again and in the meantime it's going to cost a lot of money. I think there has to be some safeguard in case you get a council that's irresponsible about it.

Mr Hardeman: So your suggestion would be that we should be putting something in the bill to clearly define that those taxes, if they're not intended, should not be allowed.

Ms Scollick: Absolutely. Yes, exactly.

Mr Hardeman: The other issue I think you brought up was the restructuring in the Metro area and, as was pointed out, that the restructuring portion of section M does exclude the Metro area and the regions and the county of Oxford. I would gather from your presentation that you would be supportive of that same type of process for the Metro area.

Mr Chwartacky: That's a fair comment, yes.

Mr Hardeman: I think we could then take it that the chamber would be supportive of that type of process as it's being directed to the rest of the province. Do you not have any concerns with the power of the minister to make the final recommendation?

Mr Chwartacky: There always are concerns. At least in our understanding of what is happening, the municipalities have, in effect, the first right to try to make it on their own, so to speak, and that's the right process. If that doesn't work, there's got to be some other process. There should be safeguards, I agree.

Mr Gerry Phillips (Scarborough-Agincourt): I'll just comment on that last point. The board of trade were in here and their major support of the bill was because it permitted the restructuring of Metro, and they were quite surprised to find out that in fact it didn't permit the

restructuring of Metro. I think it made two statements to us: One is that an organization like that, which I have a lot of regard for, has not had time to study the true implications of the bill; and two is that we're finding groups coming and saying, "We support the bill but—" and then they raise a whole bunch of major issues.

Just as an aside, not to you but to the parliamentary assistant, I gather what he just said was that it's the government's intention to have these same rules apply to Metro. If that's the case, we'll want to know that because I'm sure Metro will want to comment.

Here's our understanding of what the government's trying to do with the user fees and taxes, just so you know what I think the municipalities are being told. This is what they have said about the intent:

"This legislative amendment will generally provide unlimited flexibility, thereby overriding all existing limitations on user fees. The proposed amendments confer significant discretionary power to council regarding activities to which a fee may apply, a structure fee, an incidence fee."

When the law passes, and it will pass because it will pass, municipalities are being told that from now on they have unlimited flexibility. That's the basis on which they're supporting the bill. So even though you may have reservations about the kinds of fees, they essentially have carte blanche on fees in the future. Anybody who objects to that, they will pull this out and say: "No, no. When you were passing that law, this is what you said we could do and we're doing it." So either we amend the bill or this is how municipalities work.

I would go further to say we've only had two legal opinions, and one legal opinion we're going to get this morning. The two legal opinions we had, from Mississauga and the city of Toronto, both say that this act would permit a gas tax the way it's written right now, and frankly, the municipalities are supporting the bill on the basis that it permits a gas tax.

Knowing that's the way the law is written right now, what would your comment be about supporting the bill as it's currently written?

Ms Scollick: Mr Phillips, I'd like to answer that question. I think we've already established the fact that we're concerned about those parameters not being there on the user fees. Support the bill, yes, but with amendment and that being one of the amendments that we would ask the government to consider.

Mr Phillips: I think we then have a problem with the municipalities, because they've supported the bill on the basis that it gives them this unlimited flexibility. Certainly I think a cornerstone of this section of the bill is that the association of municipalities has said, "We really like this because it gives us this," so I would just ask you to stay tuned. We understand your amendments, but I have a feeling that you may not see those amendments, so you may find that you have some difficulty with the bill when it's finally passed.

Ms Scollick: It looks like the business community is going to have to actively work against their municipalities then. Is that what you're telling us?

Mr Phillips: I'm saying that it's very clear in the government's documents the intent of it. They use the term "provide unlimited flexibility": unlimited, overriding all existing limitations. In fact there's another part of the bill that says if this conflicts with any other act, the one that favours the municipality is the one that prevails—"is less restrictive," I think my colleague said.

We've had great difficulty in getting clarification on what this section means. The one thing we do know is that on user fees it is unlimited flexibility. That's what it means. There's a dispute about whether it includes taxes or not. The government feels it doesn't, the municipalities feel it does, so I would urge their chamber to watch what we call clause-by-clause, which occurs, I might add, the week of January 22.

The Chair: I'm sorry to interrupt, Mr Phillips, but we've come to the end of your time and the end of the half-hour for the group presenting.

Mr Phillips: That clock speeds up.

The Chair: I'd like to thank you for taking the time to come and present to the committee today.

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CANADIAN ASSOCIATION OF RETIRED PERSONS

The Chair: Could I please have members of the Canadian Association of Retired Persons come forward. Welcome to the standing committee on general government. You have half an hour to make your presentation. You can be seated if you'd like.

Mrs Lillian Morgenthau: I am. It'll take me a couple of minutes to organize my case, so if you'd like to stand up for the next few seconds, or whatever you want to do, that would be fine.

The Chair: I'll let you know, as you're getting ready, that you have 30 minutes to make your presentation. You can use that time as you see fit. You may want to leave some time at the end for questions. Before you begin your presentation, I'd appreciate it if you'd read your name and your organization into the record for the benefit of Hansard.

Mrs Morgenthau: My name is Lillian Morgenthau. I'm president of the Canadian Association of Retired Persons. CARP is a national association for Canadians over 50 years of age, retired or not. CARP is a non-profit association that takes no funding from any government and therefore is neutral. Our membership is over 225,000 people over the age of 50, with about 140,000 members in Ontario.

The aim of the organization is to improve and maintain the quality of life for Canadians over 50 years of age. We therefore maintain a deep interest in government affairs relating to this age group.

This government was put into power by the voters of Ontario to reduce the deficit, get rid of the bureaucratic albatross and find workable solutions to complex problems. Mr Harris rode in on a wave of these promises, but also explicit promises of maintaining our health care system and the protection of seniors' programs, with no user fees.

Bill 26 is a bill created in secrecy and delivered to the Legislature when members and stakeholders, myself included, were in a lockup awaiting the Finance minister's

mini-budget. No information was released that this important bill was to be presented, let alone passed. How could any responsible government expect to pass a bill of 211 pages without time to study and assess it? We cannot but presume that the absence of members was a deliberate ploy by the government to ram through an obnoxious bill. Perhaps we should remind the majority members that the "d" in democracy does not mean the "d" in dictatorship.

Slash and burn first and think later is not the Canadian way. Omnibus bills aren't new, but were designed to take care of loose ends and for clarification, not to grab new powers that allow ministers to play God. Democracy is very fragile and must be protected. This bill allows a minister to change or take over local boards and have no House debate on municipal restructuring, which the minister can do by an order in council. Why then do we need politicians if this can be done without them?

When asked about the changing of school boards without public debate or consultation, Al Leach, the Minister of Municipal Affairs, is reported to have said, "Quite frankly, I don't know." Neither did anyone affected by this legislation know. Education Minister John Snobelen was equally at sea, saying, "Candidly, I don't know at this point." We feel that there should be time to find out what is in that 211-page document called Bill 26.

While CARP is concerned about several aspects of this bill, we will concentrate on the part of the bill that will hit seniors and all Ontarians hardest: health care in its many aspects.

In this session, we want to concentrate on these areas first: There are parts of the law which affect education, municipalities and highways. We cannot do the whole bill, but we will concentrate on these three things.

You may ask why seniors are interested in education. First, economically seniors are finding they must augment their income and often must learn new skills. Adult classes are full, both in high school and in university. Second, seniors are either having unemployed children and grandchildren returning home or having to support more education for those children. Third, all seniors pay property taxes. One half goes to education and one half goes to the municipality. Of course we're interested in education.

The school system is a major concern to CARP members, particularly those of us who have children and grandchildren. We recognize that the nature of available jobs has changed drastically over the last few years. The technological revolution has made enormous demands on the system, requiring training for this new world. Actually, I just learned how to use a computer myself; I resisted for a long, long time. But I still don't go to the bank and use that machine.

Not only are the actual tools needed, but students must be taught how to think and be encouraged to be flexible and to turn their talents in new and diverse directions. We find that adults and students who left high school are returning in droves to upgrade and learn new skills. This is to be encouraged.

Delivering the kind of education young people need is being made increasingly difficult with continuing cuts to education budgets, including the $400-million reduction expected during the period April 1, 1996, to March 31, 1997.

It is important that our children become familiar with computers at an early age, but a machine cannot take the place of a human being. A teacher is trained to transmit information and ideas and to encourage students to explore and express themselves in a variety of ways. Even larger classes than we have now and computer-assisted instruction are no substitute for a dedicated teacher. It's much too easy now for less-skilled children or for those who have trouble at home, for example, to slip through the cracks and wind up on the streets in their teen years with no skills and no chance for a job which requires even a minimum amount of training.

Obviously, it is important that students master the core subjects. They must be able to read, write, do their math etc. But what are the activities which make school and learning enjoyable? Often these are the opportunity to witness and take part in the arts, the extracurricular activities such as sports, playing in the band, working on the school newspaper, taking part in the school play and other programs which help young people develop their potential, solve problems and introduce them to the world around. Some children need special help in developing life skills, coping with problems not of their making, mastering subjects which they find particularly difficult. We cannot strip our schools of these programs if we want to graduate well-rounded, optimistic students who will fill the next generation of jobs and professions.

What will happen to library services? What will happen to other needed educational support? What of our guidance program? Will there be user fees for every program or service beyond the core subjects? How will this encourage students who are already feeling pressured and discouraged by thoughts of a difficult future?

Actually, I woke up this morning and I thought to myself, what about this library? I realized that if you go to the library, who do you find there? You find young students. You find older students. You find seniors. But you know, I haven't been to a library since I got out of university because I haven't had time. I wonder how many of you actually have gone to a library in the last few years.

1010

Mr Young: I go every week.

Mrs Morgenthau: Isn't that wonderful. But how would you like it if you had to go and pay for every book you had to take out and had to pay for every service that you had there? I think that our libraries are important. I think user fees are used against the poor and the vulnerable. That's what I woke up thinking this morning. This committee has really been terrible for me. I've been waking up every night with new ideas, and it's really disgusting.

Property taxes, half of which go to pay for education, are also the concern of seniors. We know the deficit must be brought under control. But short-term gain for long-term pain is not a solution we would advise. In our view, our education system is top-heavy with boards of education, duplication and administration costs which are out of line. We would favour the amalgamation of Ontario boards into as few as feasible. We believe that public and separate school boards that service the same area and that are serviced by public funds can be combined and pro-

visions made which will respect the constitutional privileges of different groups, such as Catholic or francophone communities.

Reducing the number of paid trustees, bulk buying by all the schools, better use of personnel and equipment etc would save significant amounts of money. We believe that confederated school boards are needed and that the money saved should be diverted directly into the classrooms so that we stop shortchanging our young people and better equip them for the challenges of the next century.

The proposed College of Teachers we feel will create another unneeded level of bureaucracy which will be extremely costly and actually redundant. Teachers have been functioning in this province under the guidance of boards of education and the provincial department of education. Existing systems set standards of education and have the power to improve them.

The college will require that teachers are members in order to teach or administer. Total cost of the college to start is an estimated $13.5 million annually, and we all know that's just a start. I don't think any of us realize the budget that might be and must be attained to get this college going. We know that costs turn out to be higher than original estimates. This is supposed to be paid by the teachers, and they will also pay user fees for services such as applications for documents pertaining to recertification, letters of standing etc. So this huge amount will be paid by the teachers. Who pays the teachers? We, the taxpayers of Ontario.

What are we going to get for our $13.5 million? Keep more bureaucrats and supervisors busy? If we only had $13.5 million extra to put right into the classroom, what a difference that would make. But we don't have it. Now, in order to set up a system we don't need, we're going to ask our teachers to cough up that money. They're really going to be happy about that. Perhaps the bureaucrats who thought that one up should actually spend some time in a school room and rethink the proposal.

The other area I would like to discuss has to do with municipalities. This bill allows the minister to merge municipalities without their permission. And, I quote from the book, he can also "facilitate municipal restructuring over large geographic areas involving counties... local municipalities in counties" and territories. This could eliminate levels of local government and change representation. The description of this is on pages 133 and 134 of Bill 26. The extent of this provision is mammoth.

He has also given the municipalities the right to impose new taxes and user fees for garbage pickup; libraries, which children, students and seniors use all the time; public swimming pools, which in our hot weather are the mainstay of children and adults, usually of lower income; and anything else you can find to tax.

Mississauga's mayor and other mayors apparently love this bill, which allows municipalities to tax everything and anything. Why are we already paying huge taxes? Property taxes are supposedly for service such as clearing snow, cleaning streets, garbage removal etc. We pay extra to light our homes, heat our houses, bring water to our taps. These are all extras, not in our taxes. What are we paying for? If municipalities and governments are overspending, I suggest they bring in a homemaker who knows how to keep a budget.

Municipalities are also going to be allowed to levy head taxes, so much per person, whether rich or poor. We'd like to remind any mayor who is considering this that not even Margaret Thatcher, the Iron Lady, could make that one stick.

Last, we wish to comment on that part of Bill 26 which allows toll highways. When minimum taxes on gasoline were instituted, it was with the definite commitment that these taxes would be used for the building, improvement and maintenance of highways and roads. The taxes on a gallon of gasoline are equal to the cost of the gas. This is not what we bargained for or agreed to.

With due respect, might we remind the government that changes in the cabinet are a normal exercise. Today the Minister of Transportation, tomorrow the Minister of Health. I'm sorry if that hurt, but it's true. Mr Snobelen, with his monumental changes to the way education is delivered in this province, has barely had time to learn the intricacies of his job, and tomorrow he may find himself in a different portfolio.

This bill encompasses 47 different issues. It should be split and discussed on the merit of each issue. As a matter of fact, I understand there are approximately 100 amendments being thought about. You know, a good general knows when to retreat. It may be time for us to throw this bill out and start all over again. There may be some worthwhile things in this bill—perhaps there are—but they should be brought in on their own. This bill is an affront to every Ontarian. Before attempting to draw up and pass a huge piece of legislation such as Bill 26, we suggest that the ministers involved be given time to really learn in depth the responsibilities they've taken on. The dictatorial powers they have appropriated are not only dangerous to democracy, but in their slashing attack on the deficit they may well throw this province into a recession.

Alienate the public and pit one segment of society against another: This is not my vision of Ontario, nor is it of our thousands of senior Ontarians. Thank you.

The Chair: Thank you. We have about three minutes per caucus for questions, starting with the government caucus.

Mr Young: Thank you very much for coming and for your excellent presentation. In your comments, you said the bill allows the minister to merge municipalities without their permission.

Mrs Morgenthau: Yes. It's in here.

Mr Young: But it has to be locally inspired. The local municipalities have to come to the minister and say, "We've had debate"—you said there'd be no House debate. There will be lots of debate that takes place at the local level, and if they can't work out their solution, someone's going to have to say, "We have to make a solution happen, if they can't agree," and that's how the process will work.

I share your concern with seniors. I worked as a volunteer in a non-profit seniors' residence for six years, on the board of directors, and what I've seen is two major classes of seniors: seniors who have not, and

seniors who have. There are seniors who, with their old age supplement and pension, have no money left at the end of the month. Those are the ones I think we have to focus our help with. There's another class of seniors who are wealthy; there are lots of wealthy seniors out there.

Mrs Morgenthau: A very small amount, about 2%.

Mr Young: There are lots of seniors—

Mrs Morgenthau: And I brought that paper—

Mr Young: Could I continue, please?

Mrs Morgenthau: Sorry, but it does tell you the statistics.

Mr Young: My mother is not wealthy, but she's comfortable, and she's one of the seniors who've said to me and to members of our caucus: "We're willing to pay $2 towards our drugs. We want to be part of the solution for Ontario." I want to concentrate on how we can help seniors in need.

1020

There are some really great things in Bill 26 for seniors, and I'd like to make sure you know about that. One of them is that the legislation allows municipalities to exempt groups of persons from user fees, and that was designed for seniors. I want to make sure you understand that too. Did you know we're extending the drug benefit plan to 140,000 individuals who are on low income? That's part of Bill 26 also.

Mrs Morgenthau: Am I allowed rebuttal or do you want us to—

Mr Young: I would like to ask you one more question. Does it make sense for working people who have children in school and mortgages and who are trying to make ends meet to be subsidizing drugs for the class of seniors who are on the higher economic end? Does that make sense?

Mrs Morgenthau: Let's look at the higher, so to speak. First of all, we're not all seniors. We're over 50. That's the sandwich generation that's taking care of kids and taking care of parents. We speak in decades, actually. There's the junior senior, those from 50 to 60 years old; the middle senior, those from, say, 60 to 75; and then the senior senior, who goes over that.

When you're talking the wealthy—that's why I brought that paper which says "Destroying the Myth." A very small percentage, about 2% of seniors, could cope with user fees. You're talking about the poor. We want to be sure that those seniors who are coping stay able to cope. They have no paycheque coming in. They only have their pensions and the interest that comes through. If they have capital and all these user fees and everything goes up, the inflation is phenomenal for them. Their taxes go up every year, their heating bills go up every year, their lighting goes up every year. Everything they cannot do without goes up every year, and they have to pay it.

The Chair: Sorry to interrupt, Mrs Morgenthau, but we have to move into the time for the opposition questions.

Mr Phillips: I very much appreciate you being here and speaking on behalf of the seniors. What this bill permits is the introduction of user fees on drugs for seniors. It is clear that every senior will be required to pay at least $2 per prescription. If their income is $16,000, they pay $100 a year plus the full dispensing fee. During the election, in my area I know the seniors were told by the Conservative Party, "We will not introduce any copayment"—

Mrs Morgenthau: I've said that.

Mr Phillips: "No copayment, no new user fee." It was absolutely clear-cut in big, bold type. It wasn't just user fee, it was copayment.

Mr Young: I'd like to see that. I'd like to see where it says that.

Mr Phillips: Where does it say it? Right here. "In the last decade...copayments have kept rising.... We looked" at it and rejected it. For anyone who couldn't hear that, the Conservative member doesn't realize he ran on a platform of promising you wouldn't introduce copayments, and the entire—

Mr Young: No user fees. He didn't mention copayments.

Mr Phillips: No, no. No copayments.

Mr Silipo: Your Premier said copayments were user fees.

Mr Phillips: I think our delegation now sees that the Conservatives don't realize the promise they made.

The seniors of this province were promised in writing that there would be no new user fees, no new copayments. It is clear Bill 26 provides for brand-new copayments, user fees, on seniors. Do the seniors of this province feel betrayed by that promise that is now being broken?

Mrs Morgenthau: You want me to take a stand on the government. We have a majority government, and no matter what we do, our faith is in a government that has 82 seats. All we're saying to this government is that this bill is a bad bill, and when you've got a bad deal, you should get out of it.

What this gentleman said about seniors—we get lots of letters. I have piles of letters from over 200,000 people saying to me, "We want to help," but you're not doing it right. There are ways of doing it without slashing and burning. On this bill and any other bill for the restructuring of the hospitals and the medical, no seniors' associations, such as ours, which is very large, probably the largest in its particular area, were invited to sit on that committee. That tells you something. That tells you that they think every senior sits in a wheelchair and has lost his brains, and we object to that.

Mr Silipo: Thank you, Mrs Morgenthau, for your presentation. I appreciate very much your latter comment, that you don't want to get caught saying you support or don't support the government. I'm not interested in pursuing that issue at all.

But I do want to emphasize and ask you to comment further on the essential point you made time and time again in your presentation, which is that this bill should be withdrawn and split up and that more time should be given to address the issues in this bill because it addresses so many fundamental issues that should not be done in this way.

Mrs Morgenthau: No person can be all things to all people and no minister can be all omnipotent over everyone. A little bit of power is a dangerous thing and a lot of power corrupts. This bill gives power, and we don't feel that's the democratic or the Canadian way.

The Chair: Thank you very much for coming today to make your presentation. I understand you may have another presentation to make today.

Mrs Morgenthau: No problem.

The Chair: Good luck and happy holidays.

Mrs Morgenthau: I thank you for your time, gentlemen, and I hope this isn't window dressing.

ONTARIO LIBRARY ASSOCIATION

The Chair: Could I please have representatives from the Ontario Library Association come forward. Good morning, folks, and welcome. You have 30 minutes to make your presentation, which you may use as you see fit, but you may want to leave some time for response and questions from the three caucuses. Please read your names and your organization into the record for the benefit of Hansard and committee members.

Mr Larry Moore: Thank you very much. I'm Larry Moore, the executive director of the Ontario Library Association. With me are Jane Horrocks, president of the Ontario Library Association; and Maureen Rudzik, who is incoming president of the Ontario Library Trustees' Association, which is a constituent group of the Ontario Library Association.

I will go through the presentation, which I believe is in front of you. It's maybe slightly different in how we approach this, but we obviously have concerns about the bill that we would like to put before you.

Thank you on behalf of the Ontario Library Association and the Ontario Library Trustees' Association for the opportunity to present the concerns of librarians and library trustees working in hundreds of municipalities across Ontario. We are here today to discuss clauses in Bill 26 dealing with the provision of municipal power to dissolve currently constituted library boards and the provision of municipal power to impose user fees.

As background to this, our libraries are no strangers to financial cutbacks, just as most parts of the economy are not. In the last three to four years in particular, municipal financial support for libraries has been dwindling, and in some instances, support has already been seriously curtailed.

The provincial Treasurer's cuts to municipalities, advanced in tandem with Bill 26, will be passed on to municipal agencies, among which libraries are prominent. The Treasurer made a 40% cut in provincial support provided directly to public libraries over the next two years. Provincial support through the per-household grant has remained steady, if flat, over the past four years, so this 40% cut is a major reversal of that situation for us.

Bill 26 challenges specific tenets of the Public Libraries Act, 1984, and its regulation including the two provisions that have already been cited.

1030

In the current context, each of these events is drastic but not entirely incomprehensible or unexpected. Together, however, these events are a dangerous confluence for a resource whose importance to the province and the people of Ontario remains pivotal.

The issues affecting libraries brought forward in Bill 26 are not new to us. They have been a source of research and discussion for the library community for many years. In the light of what we have found, our organization has remained confidently vocal in defence of libraries and the need for government leadership in the information economy in which we now find ourselves. People need and must have information, not just for our society to be democratic but for our society to survive and thrive.

The two provisions being put forth in Bill 26 that we wish to discuss do not provide major financial relief to municipalities. In that light, we feel it is more important than ever that the limitations of these two provisions receive study and careful attention.

Special-purpose bodies: In Ontario, some 3,500 people from all walks of life sit on library boards. They are certainly cost-effective. They volunteer their time, energy and in some cases money to the development of an increasingly complex service to which they are entirely dedicated. Library boards set policy and, in the main, direct efficient, businesslike operations which are sensitive to their communities' needs.

Over the years, the Ontario Library Trustees' Association has contested different attempts by municipalities to dissolve library boards through special legislation. We fully believe that citizen participation and responsibility have led to libraries of growing excellence.

For close to four years, the OLTA, supported by the Ontario Library Association, struggled with its most tenacious of opponents, the city of Mississauga and its long-standing mayor. It was an exhausting and unnecessarily long-drawn-out debate. The city of Mississauga, in its presentations, could never explain what would be better if the library board were dissolved and made into a committee of council. Last year, when the Mississauga legislation came to committee in this very room, members from all parties of the Legislature, including our current government, voted against that legislation and, in comment unsolicited from us, I'd say at least half the members of the committee agreed that if the legislation had been passed, libraries across the province would be in definite jeopardy.

In response to a request from the Honourable Marilyn Mushinski, the Ontario Library Association, at its annual policy forum last month, did however put the question of governance back on the table. We had a serious representation of CEOs from public libraries across Ontario and an unexpectedly large number of trustees to discuss the issue again. The minister was looking for fallback positions and there was agreement at the policy forum that her request was not inappropriate.

Examples of library governance from countries all over the world provided no evidence that any other form of governance created libraries more responsive or more accountable to their communities than those run by autonomous boards, as we have in Ontario. If anything, the research seemed to prove the opposite.

A Canadian researcher at McGill University discussed the pitfalls of alternatives. The only more preferable form of governance that she identified appeared to be if a public library were to be made a full department of a municipality, in which case she said they would be far better off. However, the worst form of library governance

she identified was also related, and it was seen to be when a library was subsumed by a municipal department, in which case they were entirely lost in the results. We feel from the indications so far that it's more likely that municipalities would go that route, of having a library become part of a department rather than a full department in its own right.

So the policy forum ended up passing a resolution reaffirming boards as the most favoured form of public library governance. It was not necessarily the result that was expected, quite frankly. We thought really we could talk about alternatives, but it just wasn't there in the research we had. Other types of regulatory bodies we could maybe see being possible would need to have such similar characteristics that the cost of putting them in place instead of library boards did not seem to be anything that would be justified, so the resolution that was passed supported library boards still as the best form of governance for the libraries of Ontario.

It is less than a year since the Mississauga legislation was turned back as too damaging by the committee that met in this room and by the parties that were involved. So why in December are we faced with legislation that all parties agreed was not in the best interests of the province in May? There's an enormous reversal here.

Our understanding and our reading of the situation is that the government—and it's no secret—has been considering the recommendations in last year's AMO-Pilkey report, particularly in the light of funding cuts to municipalities predicted by the Premier at AMO's conference in August. The Pilkey report has asked for dissolution of library boards, and AMO has also asked for this. However, the rush to put into place what probably are dozens of possibly excellent recommendations we feel cannot be allowed to lead to other changes that are damaging and are just brought along as part of the process.

The Association of Municipalities of Ontario has run a concerted campaign against special-purpose boards for years, citing library boards as a key example time and time again, and it came out forcefully in its brief yesterday. Why library boards?

AMO claims that special-purpose boards keep the municipality from having real authority over how it spends its own resources. This may be true for other special-purpose boards, but the fact is that the Public Libraries Act, 1984, which was introduced by the previous Conservative government and passed by it, gives full control to a municipal council to not only appoint the members of a library board, to put councillors from the municipality on that library board—they're obligated to do so—but also to give them line-by-line full control of the budget. So the Public Libraries Act has in essence introduced the powers that we see they are requesting, and municipalities are using them. We had major limitations and cutbacks in budgets quite prominently in the press, last year already. It works. They're able to do it.

Then what authority is missing? Is it the authority that would allow municipal council to make a library remove a book from its shelves? As it turns out, since last night it's sort of shifted a bit, but such pressure is coming right now from the cities of St Catharines and Burlington to remove Lethal Marriage from those two public libraries. The fact is that there was considerable pressure on the part of elected officials. I mean, this was an unpopular decision on the part of the libraries, and this politically is a very big bomb, if you will, as to how do Canadians at this point, who are extremely personally associated with the Bernardo and Mahaffy/Kristen French situation, not respond in favour of the families? But the fact is the library is there to ensure that intellectual freedom is addressed, and these are the libraries that kept material out of their libraries all through the development of the court case to ensure that the court case would be fairly heard.

I will stop that digression, but there is a whole thing there, and surely municipal councillors don't want that whole right. In this case, though, the pressure was there. One city councillor was heard to say that voting for keeping Lethal Marriage in the library would probably ruin her political career. But as a board member, she knew it was the only correct thing she could do. Last night the board, as it turns out, reinforced that decision, and I think that stage, although it's still not happy for everyone, is maybe past.

Politics and libraries have been separated by boards for good reasons, because the whole question of information and what is available to our citizens in a democratic society is basic to what libraries are all about.

AMO says trying to get rid of the boards is really a question of accountability. We agree that if accountability means being liable to political punishment, then of course municipal councillors are more accountable. But trustees are not appointed to defend special-purpose groups or institutions or services or political trends. Their accountability rests in being responsive and responsible to community needs and input, protecting intellectual freedom, protecting community heritage. An autonomous board is more accountable to the entire community in many ways. It does not respond to political pressure in reaching what, as far as we can see, are the most suitable decisions.

1040

Now, the situation does keep changing, but not in the way AMO or the municipalities think. The need today is for a public lane on the information highway, and it is an escalating need. Such entry to the information highway can be provided to Ontario's people through the thousand points of light that our libraries represent across the province. The public library is a local gateway that is critical to the future economic, educational and cultural development of Ontario. Connected in partnerships to libraries in colleges, universities and schools, public libraries demand more provincial leadership, not less. Yesterday I think AMO said the opposite. At any rate, libraries do advance Ontario and the municipalities in which they reside. The focus and will to make such things happen reside in bodies like boards, not in municipal departments attempting to administer a variety of disparate and conflicting activities.

Although the AMO presentation made a strong statement yesterday against the continuation of library boards, no reason was given. It was fascinating to hear him punch out the line that library boards being an exception was unacceptable, but there was no reason. They just did not give a reason, and this has been our experience with it.

This is probably not something we should have brought into our brief, but outside the room, after the presentation—we of course are still interested in hearing what the representatives from AMO have to say—we listened to the press interview and we talked with them. Michael Power, who was one of the two people giving the presentation yesterday, told us that it was probably true that 90% of library boards do an excellent job but that it was important to AMO that there was consistency in the legislation.

That is alarming to us, because that's not what should drive the legislation, but we can see how in this grand package of things, moving very quickly, that could be missed, that it is just consistency that is being considered here. Neatness is not a satisfactory reason for destroying a palpably effective and critically useful support to a necessary provincial resource.

There's lots we have on this. This is an enormous issue. It's been an issue for years. The confidence that we have with it we are willing to share with you in whatever way we can, and we've always worked with the governments along the way to ensure that if there are other alternatives, they get addressed in light of what is being lost or gained.

On user fees, the OLA policy conference that was referred to earlier also addressed this. We think there is considerable confusion over what libraries can now charge in the way of user fees and what they cannot. We do not think municipalities entirely understand what the act allows or does not, even at this point.

The Public Libraries Act and its regulation clearly prohibit fees being charged for admission and the use of library materials, for reserving and borrowing materials and for reference and information services. Even under the act right now, charges may be and are being made for use of audiovisual and copying equipment, for use of meeting rooms, for provision of programs.

At the Ontario Library Association's policy forum in November, a policy paper was discussed to determine what should realistically be defined as core services that might be exempted from this particular piece of the legislation: in essence, those library services that should still remain free in spite of the provision for fees for service. There was unanimous agreement for the resolution that we've attached in appendix B, and it defines what should be or should not be allowable within our current framework.

As you can see, user fees for the circulation of individual library items is still not supported. Information should be available free of charge to people who need it. In discussion, though, annual membership fees for residents, although seen to be undesirable, were perhaps necessary in this economic climate. Each fee is, regardless, an encroachment on the average person's right to know, but multiple fees even more so. So there may be some things that can be discussed and considered there, but it still is not desirable. A fee remains a tax that will limit use and discourage people who may have a serious right to know. If user fees are to be charged, they must be able to create significant revenue before being adopted. What worries us is that we may end up with user fees that, in essence, do not raise very much money and the damage will be there regardless. We think those tradeoffs need to be very carefully measured.

We looked at the experience in other jurisdictions, naturally. The majority of Canadian provinces have legislated free library services, as have most states in the United States. Legislation in those places is consistent with Ontario's current legislation.

Overseas, England and Wales, under legislation, do levy charges on the circulation of some materials and generate 2% to 3% of their total library revenues that way. However, a speech, where we were getting much of the information for their practice, from a representative of the British Audit Commission noted in relation to user fees that "income generation schemes should be approached with caution; that there are onerous financial, legal and management questions to be addressed and that, even after all that, the amount of money involved is small and there is no guarantee that you will get" the benefit you want from it.

Annual membership fees as an approach are at the present time allowed by legislation in Alberta, so we made inquiries there and we found that the fees they are collecting tend to generate 3% to 4% of library revenue. We're not putting a value on that, we're not sure what it means, but that is the result that is being achieved there.

Our concerns we think are being addressed by the government in some ways, inasmuch as the Honourable Marilyn Mushinski has indicated that we will have the opportunity to filter out these questions in the next two to three months, where this is being defined more completely, and we are encouraged by that. Such exceptions that are determined will be significant to how services are provided to Ontario residents. Of course, we think they need careful consideration.

Many libraries around Ontario have, since the policy forum, initiated surveys of their own of current users to determine what people think about this: Will they pay? What would they pay? What is their attitude towards this? Although the results are not available in time for this presentation, they obviously will be used in discussions with the minister and with the agencies that she puts in place to allow discussion to take place.

Jane Horrocks, whose library is at Richmond Hill—she is CEO there—has just gone through this process and may be able to comment if you would like to hear what one library is finding on these issues.

In the long run, we think it is important that whatever user fees are agreed to, and the direction of user fees, there needs to be uniformity in the application of user fees across the entire province. You can't have one library in one municipality charging for certain things that are not possible in another municipality, because the whole thrust of libraries in the information age—and I apologize for the corniness of some of the phraseology, but the fact is we are in an information age. The information industry is driving this province and libraries are the public access to that. There needs to be a way for libraries to connect across the province. It is not just a municipal issue; it is a major provincial issue. The uniformity is necessary for any kind of development along those lines.

Our conclusion is that there is an assumption in most municipal and provincial rhetoric that indicates that libraries are somewhat taken for granted, rather than seen as critical entry points to the swiftly growing information environment that is driving the Ontario economy, all education and indeed world events. There appears to be very little understanding of how information has become the driving force in our society and how the needs of Ontario employment-seekers, businesses, students, writers, homemakers, even politicians, are changing.

Ontario is looking dangerously through Marshall McLuhan's rearview mirror and the results could set the province back in ways that can be as devastating to the economy as the deficit that we are now trying to control. To ensure this, we are saying that library boards should be an exception to provisions for dissolution of special-purpose boards and that user fees need to be carefully determined before final agreements are made. We welcome your comments and questions.

1050

The Chair: Thank you very much for your very thorough presentation. We have about two minutes and 20 seconds per caucus for questions. We'll start with the opposition caucus.

Mr Colle: Thank you for the very comprehensive presentation. In terms of uniformity and exceptions to the unilateral power to dissolve boards, it's interesting to note that there have already been a couple of exceptions given in writing from the Minister of Municipal Affairs and Housing and the Minister of Transportation to the police chiefs, saying that in essence the police services boards will be exempt. It looks like they're going to exempt also the school boards. So with regard to Mr Power's assertion that it's being done for uniformity, there's already inconsistency there.

I would also like to say that what is very clear is that this is part of what I call Hazel's revenge. As you know, Mayor McCallion and Mayor Lastman and a number of other mayors find that this is going to be a user fee bonanza; you know, gas taxes, income taxes, taxes on firefighting services, police services. I guess the resistance that's come from the library boards in terms of restricting access to information by the imposition of user fees is one of the reasons there's been this confrontation between the local feudal lords and the library boards.

The question I have for you is, how can you expect to get any kind of hearing when this whole Bill 26 in the municipal area has been basically engineered to please the likes of Mayor McCallion in Mississauga and you're on the other side of the issue?

Mr Moore: I've just been told to answer that. It has crossed our minds that obviously our struggle with the municipalities on these issues has certainly lent itself to the kinds of attitudes that are there. We still, in the long run, believe that governments govern and that this government will govern.

Yesterday, AMO made what to me I guess was just a personal kind of statement that truly shocks me when they said that the government, in reducing its money, therefore should not have the say in how municipalities respond to this. I don't believe that for a minute. I think that the province and this country have to be governed, whether you give the money or not. If it's in the interests of the public that certain provisions and certain legislation be in place, then that should happen. We think this is true in this issue as well. We do not have any reason to believe that the government is insensitive to that. I think we are worried about the sweep of Bill 26 to include the Pilkey report, which was written by AMO members and government members at that time.

The Chair: Thank you. I'm sorry to interrupt, but I have to move on to Mr Silipo's time.

Mr Silipo: Thank you again for pointing out to us another important example in what I call the sledgehammer approach that's being taken by this government, where in order to deal with what seems to be, when you analyse it, a very limited problem, it is bringing in far-sweeping legislation that changes the rules for the whole world. You've pointed out in here the admission even by AMO that 90% of public library boards seem to be doing just fine, thank you very much. We've had lots of other examples: from firefighters, with respect to arbitration, only 15% of cases go to arbitration; the seniors' group that was just here before, saying only 2% of seniors can really afford the user fees that are being suggested.

I just hope that your well-reasoned presentation here strikes some chord with the government. But can you tell us any more about whether your discussions with Minister Mushinski have led you to believe that the government will be prepared—as Mr Colle said, other ministers have indicated through letters, for whatever they're worth, that certain exceptions will be made. Have you had any sense from the government that it's prepared to make an exception in this case?

Mr Moore: No. I was really surprised and pleased to see that AMO said yes. I don't think AMO would have said what they said yesterday if they didn't believe it was being considered. But we have not been made privy to that. We have been dealing largely through third- and fourth-tier people to get the feedback we have. So far we've not had direct access to the minister's office.

Mr Hardeman: Thank you for the very thorough report. I too have sat on a local library board. I was one of those elected appointed officials on the board. From your presentation, you point out that the library boards presently are appointed by the municipality. They can appoint whom they wish. They control the budget. What would bring them the concern, if they already control it, that in fact it does have to remain an autonomous board?

Mr Moore: Well, it's all in the direction and issues that are driving libraries. Libraries are in a great period of change, the whole information revolution—I keep using these terms that just sound corny to me as I say them but aren't—and the board is really there attempting to create and respond to a demand or need for consistent approaches to services across the entire province. The provincial input and need are able to be addressed by a group who have nothing else but to address that. If you're trying to run a city and you have several departments here, it seems to me you are looking more at the financial and managerial side of this, which is already being given to you by the act. But for you to have time and the ability to create what is needed for the library and its ability to serve your community we think is only really possible through having such a group.

Mr Hardeman: In the act, the minister has the power, by regulation, to exempt boards and commissions from this dissolution. Would it solve the concerns of the library boards if in fact they were included in such regulation?

Dr Maureen Rudzik: I think that we would like to continue as autonomous library boards. I'm not quite sure how the legislation ought to be phrased in order to do that, but to conserve boards and to conserve the operation of boards is our primary thrust at the OLTA.

The Chair: Thank you very much. It's come to the end of your time, Mr Hardeman.

Dr Rudzik: May I? I just have one thing to say. As the president of the OLTA and as the chairman of the reference library here in Toronto, I would like to invite you all to come on January 17 to the opening of the new reference library. Today will be the last day of the operation under the old Metro reference library as it was structured. When it closes its doors today, it will be closed until January 17 and it will restructure. There are 17,000 boxes in the library, and the library will be disassembled by the staff, all six floors of it, and will be reassembled. The doors will open again with a new look and a new reference library and a very much leaner staff. We have lost nearly a quarter of our staff through the cuts this year alone. So we invite you to come and to see what the new information technology is like.

The Chair: Thank you very much for that invitation and for your presentation today.

1100

MISSISSAUGA PROFESSIONAL NETWORKING

The Chair: Could I please have a representative from Mississauga Professional Networking come forward. Welcome this morning to the standing committee on general government. You have half an hour to make a presentation today. You can use that half-hour as you see fit. You may wish to leave some time at the end of your presentation for questions from the three caucuses. I'd appreciate if you'd read your name and organization into the record for the benefit of the committee and for Hansard. Thank you.

Ms Norma Telfer-Campbell: Chair, members of the committee, good morning. I am Norma Telfer-Campbell, founding member of the professional networking group in Mississauga. I'm here this morning on behalf of the professional networking group and I'm sure on behalf of many Ontarians who would have liked to have the opportunity to come and make a presentation; unfortunately, they have not.

I will address specifically the proposed amendment to the Municipal Act and other statutes relating to the municipalities, user fees and proposed taxation.

Allowing municipalities to charge user fees on services—I assume libraries, arenas, parks and even garbage collection—has several far-reaching implications. It will be reactive and discriminatory against the lower socioeconomic level of people.

Let's look a moment at a single mother who has four or five kids, or even two, who pays the bills, like buying food, day care, providing rent, housing. Say her weekly income is $500. That mother will have to pay a user fee for the kids using the libraries, the arenas, the parks in the summer, and that mother will have already paid her taxes. User fees affect these mothers who least can afford it.

I think it will also deteriorate our cities. How, you may ask? These institutions, I'm sure, will depend on these user fees, since the provincial government is now reducing transfer payments to the municipalities, and I'm sure the municipalities, in return, will allow these institutions to use these user fees to cover the costs they would have otherwise obtained through subsidies.

If that is so, and these people—the big users are students and children—can't afford these costs, what will happen? They will stay away. Let's look at the TTC example in Toronto. Many people are not riding the TTC because they don't have any jobs to afford the cost. So what's happening? The service is deteriorating right now. I assume the same thing will happen to these institutions, because the people who use these institutions most are the poorer people. These are the people who can afford to go to the libraries, say students, to do their homework, their research, and even to get the opportunity to use reference books that their parents otherwise cannot afford.

Many kids, I'm sure, may turn to other sources to get this income out of desperation, even drugs to get quick cash. If they need to use these institutions—the peer pressure at school—if these kids have to do their homework but can't afford it, then behind closed doors they will be doing these sorts of things. Parents are not aware of it, teachers are not aware of it. Eventually, what will happen to them?

These are some of the things I am terribly afraid will happen to our kids: the peer pressure from groups and turning to this sort of lifestyle, that they normally would not do, out of desperation.

I also think we will witness an increase in crime because of the inability to access these services, services like the libraries, the arenas, the recreation centres, where these kids normally go to meet their friends and to get other outlets. I'm sure you'll see these kids soon turn to the streets, to shopping malls. As the old saying goes, the devil always finds work for idle hands.

We see that right now in our cities. We see that with the lower socioeconomic levels where you find these kids. Parents can't afford to put them in tennis, racketball or all these other facilities. Most of them go to these arenas to play basketball etc. If they have to pay user fees on these facilities, I'm sure they will stay away, and the ultimate will be what?

What we will see in the parents is frustration, frustration because they can't afford to raise the money to pay these fees. They will be frustrated. We know what happens when parents are frustrated. What happens? Child abuse, which they normally would not have done, but because of frustration, ultimately this is what will happen.

When I look at my family, the combined incomes of my husband and me puts us in the middle class. We're paying taxes right now, very, very high taxes. Although we're in the middle class, we can hardly afford some of the things. With the high taxes we're paying, for the

government to allow the municipalities to impose user fees and additional taxes, what will happen? Are we going to be seeing a division of wealth here, where you have the richer getting richer and the poorer getting poorer? Is that what's going to happen?

The other thing I'm also afraid of is that our cities will soon look like the American inner cities—deterioration. For example, let's look at the garbage. If user fees are charged on garbage, you're going to see people overnight bagging their garbage to other gates. You're going to be seeing dumping. What will happen? How will we clean up this dumping all over the city? Are we going to encourage the American cities, the dumping areas?

These are some of the things I'm afraid excessive user fees and taxation will cause.

I heard the minister some time ago saying that some provisions of the legislation may not be used by the municipalities. I've also heard mentioned that there are some areas where the taxes applied could be poll taxes. That scares me. That's troubling, having read about and watched the experience in England, where Margaret Thatcher tried to impose a poll tax. I know from listening to various mayors like Hazel and Mel Lastman and other municipal representatives that they're happy that this amendment is going to be made to the Municipal Act and they can't wait to apply these fees.

It was also said that the minister has indicated that corporations may aid the poorer class in paying some of these fees. I wonder if that will ever happen. When will the corporations start coming in and paying fees for people, especially the poorer class of people?

Having looked at schedule M, clauses 220.1(3)(a), (b) and (c), I notice that interest will be charged on some of these fees, and I also notice it indicates that it will be collected in the same manner as taxes. That scares me, especially if the municipalities apply user fees to garbage collections. As I mentioned before, how are we going to monitor this? How are we going to ensure that when the garbage collector comes to my gate, I only have one bag and not four or five or six or seven bags that people who do not want to pay that cost dumped at my gate? How can we ensure that? If I refuse to pay that cost because I just put out one bag, where do I go?

If I'm reading this right, and from memory, I think there is a section that says this cannot be appealed. Where do I go? That cost will be applied to my property taxes. Is the government telling me that because they're going to be applying this user fee, they're going to be reducing my property taxes? My taxes are already high and I pay these taxes for the essential services to be provided, services like the library, arenas, garbage pickup. This is why I pay my taxes, and my taxes in Mississauga are extremely high. Are they going to be reducing taxes?

I have also heard from commentators and read in the newspaper that it will be beneficial in the long run. How do we know that? The government has indicated that it is not going to be increasing taxes, and that if user fees are applied, municipalities will not have to increase their property taxes. I beg to differ. I think applying user fees is another form of taxation, an exorbitant form of taxation. Can you imagine, when you calculate the user fees charged on all these services like the libraries, garbage pickup, the arenas, what the costs will be? How can I afford it? How can Ontarians afford that?

I do realize we are in a financially strapped province. I do realize that we have to get money from somewhere to pay our costs, but there are creative means that municipalities can come up with to reduce costs other than doing it through user fees.

1110

Chair, members of the committee, I know that once this amendment goes through, these fees will be imposed. They may not be all the fees I've mentioned that I foresee, but they will be imposed. How are we going to be able to pay for all these? Our salaries are not increasing. The economy is each day taking a downturn in various areas.

The citizens of Ontario are crying out. They're saying, "We can't afford any more taxes." I'm asking you today to not allow the municipalities to charge or levy these user fees or taxation on probably gasoline, and probably a poll tax and other taxes that may not be mentioned.

What troubles me is that recently on the news I heard that a reporter asked the minister about what was in the legislation, and it seems to me that many ministers are not fully aware of the extent of this legislation. It is troubling.

It is also troubling to me to know that this bill is a draconian bill and it will affect our lives severely, yet the government did not want to have consultation. I think that before this legislation is passed, we should have wider consultation with the citizens of Ontario. Many people out there are very concerned. I've spoken to many people over the period of time, I spoke to them last night, until 1 this morning, and they're saying the same thing. They're talking about what I'm saying here today. I'm asking you to reconsider that section.

The Chair: We have a little more than four minutes per caucus for questions. We'll start with Mr Silipo.

Mr Silipo: Thank you very much for your presentation. You've made a number of points which we've heard from previous speakers, but I appreciate very much the fact that you focus so much on the human element, how these changes around the taxation powers that have been given to the municipalities for both user fees and direct taxes are going to affect people and affect all of us.

I want to focus particularly on one point you made, which is that this is a government that is committed to reducing taxes. Yet there seems to be a contradiction in what it is doing, because on the one hand it is committed to reducing provincial income taxes in a way that we see will largely benefit those who are the most well-off, not the average Ontarian. They're perpetuating that inequity and that contradiction by virtue of giving the municipalities the power to levy direct taxes, such as gasoline, sales tax, possibly even an income tax—we're getting some clarification on that—and certainly the whole array of user fees. I guess what I see coming out of that is a point that you have also posed as a bit of a question, which is, are we getting to a point where in effect the rich are getting richer and the poor are getting poorer? It seems to me that's what's happening.

Ms Telfer-Campbell: That's correct. This is what I can see happening from the charging of user fees. For

example, the people who will be paying a large amount of the user fees, the heavy users of these services, are the poorer people. Take the libraries: Who uses the libraries? The students who can't afford to buy reference books and have them in their homes. They're the ones who go to the libraries. Who goes to the arenas?

Mr Silipo: I was struck very much also by your point about what these user fees may do for young people. I think we all share your concerns about what is happening to our young people today and the fact that even a small user fee for them to be able to use a local community centre, or whatever the facility may be, in fact may increase the tendency to be involved in any number of illegal activities in order to get that money, or indeed may turn them away from using those activities and put them out on the street. I think that's a useful reminder to us and I appreciated your saying that.

Mr Young: Thank you very much for your presentation. I'm interested in your comments on the fact that user fees might, as Mr Silipo was saying, encourage youth to not use public facilities or encourage them to commit crime to get the money etc. I just want to tell you what's happened in my community. It's a middle-class community and there aren't a lot of money problems. We have a beautiful rec centre, the library is free. We had a drop-in centre we set up for the youth, which they didn't use, and there are other things that they have available to them free.

But we've come to the conclusion, after years of dealing with this problem, which is vandalism and breaking into homes etc, that it's alienation of youth and it's lack of parental involvement and it's lack of accountability in the justice system that are problems with our youth, not the cost of the services, because they're free now and they don't want to use them. They'd rather hang around a shopping mall etc. So we're trying to deal with that, and it's a much greater issue.

But I did want to ask you with regard to accountability, in Bill 26 there are a lot of really positive things that are going to help us create the change to bring Ontario back economically. There is a section on publishing the salaries of public sector employees who make $100,000 a year or more. I want to ask you what your view is on that.

Also, in Bill 26, what we're trying to do is stop health card fraud, which is people who are cheating the health system. I'm no authority on this, but I've heard in the United States and Buffalo etc, you can buy an Ontario health card for $400 or $500, come up here and use it to get an operation worth $2,500 and then head back.

So we're trying to address those problems, and I wonder what your views are on those two sections.

Ms Telfer-Campbell: With publishing the public sector salaries of $100,000 and over, I don't see how that will benefit us, for us to have that information.

Mr Colle: Take that to the bank.

Ms Telfer-Campbell: I would want to see the benefit that we will get as Ontarians from that, because just merely publishing the salary does not reduce it. So to me there is no benefit.

When it comes to the health card fraud, yes, I'm aware of it and I'm aware that because of that our cost of health is higher. I should just mention something too. With the user fees, I can see the health and environmental implications and the cost. For example, I'm talking about the garbage sitting around.

But getting back to your question on the health cards, I know it has been a problem. I did not come here this morning prepared to talk on that so I am afraid I really do not have any suggestions at this point. I will have to consider that issue further to speak knowledgeably about it.

Mr Young: Did you know that user fees for garbage are already allowed in Ontario and that most municipalities have chosen not to use them?

Ms Telfer-Campbell: I have seen in the legislation where fees can be charged, but I was not fully aware that in—we're talking about urban areas like Toronto, Mississauga, where it has not been applied in the past.

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Mr Young: Mayor Hazel McCallion has said she will not charge user fees for garbage, for the exact reason that you gave.

Ms Telfer-Campbell: I appreciate what you're saying, but just like many other politicians, they tell us they will not do that, but eventually they end up doing that. Once the provision is there and they are strapped for money, they will turn to that.

Mr Young: You mean, just like income tax.

Ms Telfer-Campbell: Just like income tax and any other tax.

Mr Young: Which has been done to us over and over again.

Ms Telfer-Campbell: That is correct. What I am saying is, if you are giving that sweeping power, then it is there to be used. I can come to you today and say I will not use it, but somewhere down the road it will be used. Politicians have told us all the time they're not going to be charging taxes. The government has said that they will give us 30% tax back, but having seen the economic situation that exists, that may not be possible. That's all I'm saying.

Mr Young: Would you like to have that tax cut?

Ms Telfer-Campbell: I'd rather not. If we could use it to reduce the deficit, I'd rather not have it back, but not charging user fees either.

Mr Phillips: I appreciate the presentation, Ms Campbell. As Mr Silipo said, you bring a human touch to it. What is really driving this bill is what the previous member talked about, and that's the 30% tax cut. What the Conservative government wants to do is to give a $14-million-a-day tax break. That's what's driving this.

Mr Young: Job creation program.

Mr Phillips: I realize the Conservative members don't like to hear this, for people at home who don't realize it was a Conservative member barking about that.

This is what it's all about: a $14-million-a-day tax break. Rightly or wrongly, that's what they want to do. So when it's positioned that we have this desperate fight to fix the deficit, the majority of the cuts do not go to the deficit. The majority of the money we're going to cut out of library uses and things like that is going to fund the $14-million-a-day tax break.

I guess my question is not unlike the question that they just asked, and that is, is this the kind of Ontario that your organization supports, where we are cutting community services dramatically to fund a $14-million-a-day tax break where the more you make, the bigger the break?

Ms Telfer-Campbell: My group would like to see a safer Ontario, an Ontario that is free from crime. My group is against the boot camp proposed by the government. What I'm seeing here is, if that user fee is imposed, what will happen is that eventually the boot camp will be needed. My group would rather the 30% tax break not be given back, but be used to reduce the deficit and to improve the services in the province.

Mr Phillips: You touched on it briefly in your comment, and actually I must say one of the most discouraging parts of these hearings was to hear Minister Leach say he wasn't too worried about user fees on young people for using the library—which is strange to me—because he had heard that there would be corporate donors that would sponsor such activities as library use for underprivileged children. The discouraging part for me was the thought of, if you don't have money in this province and you want to use the library, you will be dependent on some corporate sponsor providing you with access to the library. I personally found that very discouraging. The minister said, "Statements like this convince me our trust is not misplaced," saying this is going to be great, corporate sponsors to use the library.

I might also add—I hadn't planned to do this—that I coach hockey with a Metropolitan Toronto policeman. He's Toronto's, if not Canada's, expert on youth gangs. One of the strong things he believes is that you do need to provide activities for these young people. He strongly believes that user fees discourage the use of them. And that's not me speaking, that's somebody who is an expert on youth gangs.

I wonder if you could just comment on the direction that I think the government thinks is fine, and that is, user fees on things like use of libraries and then go out and find corporate donors to make sure that people who don't have the opportunity to use the library can be sponsored by some corporation.

Ms Telfer-Campbell: It's troubling to me and insulting to the lower socioeconomic level of people when a minister can say they should depend on corporate sponsors. Why are we here as a government? Are we going out to tell citizens of Ontario, "Look, Molson is going to pay your bills"? When I need my bills to be paid by Molson, what do I do, knock on Molson's door? How will that be organized? How will that be monitored?

For the simple reason you have mentioned, Mr Phillips, or the question, rather, that you have asked me, those are the things I'm talking about: what user fees will do. It will discourage the use of services. I know that. I have worked for several years in the community, in various diverse communities here in Ontario, and I have seen where kids cannot afford services. They want to go skating; they can't afford to pay that skating fee. So what do they do? They hang around with their friends. Where have we heard that corporations start sponsoring, and how is that going to be done? Are they going to be going to corporations and saying, "Okay, give the library $100 million to pay for these fees," and "It's X, Y, Z and C"? How are they going to know that?

I'm sorry, I can't support that. If I may say without being rude, it's very insulting. For the minister to have thought that, I wonder if he's really living in Ontario.

The Chair: Thank you, ma'am, for coming forward today to make your presentation to the committee. Unfortunately, your half-hour has been exhausted, but we do appreciate you coming forward today to make your presentation.

Ms Telfer-Campbell: Thank you.

TOWN OF HUNTSVILLE

The Chair: May I please have representatives from the town of Huntsville come forward. Good morning, gentlemen. Welcome to the standing committee on general government. You'll have 30 minutes to make your presentation. You can use that time as you see fit. You may decide to leave some time at the end of your presentation for response and questions. I'd appreciate if you'd introduce yourselves for the benefit of the committee and for Hansard.

Mr Christopher Williams: Thank you, Mr Chairman and members of the committee. I don't think that we're going to take your entire half-hour. I think we'll be fairly brief and to the point here. My name is Christopher Williams and I'm accompanied by Robert Small. I'm a solicitor and I'm appearing on behalf of the corporation of the town of Huntsville. Mr Small is the town of Huntsville's chief administrative officer.

The members of the committee should have a small booklet that we prepared for their assistance. Tab 1 outlines the gist of my presentation, which is set out in letter form. Tab 2 contains a resolution of the town of Huntsville and tab 3 contains excerpts from government Bill 26 dealing with the area of concern and interest to the town of Huntsville. Tabs 4, 5 and 6 represent an attempt that I've made at some legislative amendment which is put forward in the form of several options, if I can be so presumptuous as to do that.

Specifically, our concern is with schedule M, section 1 of government Bill 26, and that's set out at tab 3.

The town of Huntsville generally supports the changes envisioned in total by schedule M of government Bill 26. Our concern, in a nutshell, is that part of it doesn't seem to go quite far enough and so we're requesting an amendment to take care of what we perceive to be a problem.

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Firstly, the town of Huntsville is a local municipality located about 140 miles north of Toronto. It has a population of a little less than 15,000 and covers an area of about 69,000 hectares. It's part of the district municipality of Muskoka and, by virtue of the District Municipality of Muskoka Act, it functions to all intents and purposes like a regional municipality, like the region of York or the region of Peel.

The town of Huntsville has carefully followed the municipal reform project, also known as the Hardeman committee or the Hardeman project, the Treasurer's

financial statement of a month ago and various press releases coming from the Minister of Municipal Affairs and Housing and his parliamentary assistant, Mr Hardeman, regarding changes to the municipal, jurisdictional and financial environment and the suggestions for restructuring.

The town's position is to respond to these changes in its environment in a positive and progressive form and is generally supportive of some of the things that the government seems to think needs to be done.

One area of responding to the changes in the financial and jurisdictional environment is through substantive restructuring, and that may include amalgamation with several municipalities, with adjacent municipalities in the district of Muskoka, amalgamation or partnership with municipalities outside the district of Muskoka. Huntsville is bounded by the county of Haliburton and the district of Parry Sound as well as the other municipalities within the district of Muskoka.

Restructuring may also involve transfers of jurisdictions between municipalities within the district going up or down or from other municipalities, partnerships and so forth, in an effort to most effectively provide the municipal services which the citizens of that area expect to be provided in the most economical way. It could also include separation from the district of Muskoka if that were appropriate.

The current legislation, which is the Regional Municipalities Act, the District Municipality of Muskoka Act and the Municipal Boundary Negotiations Act, precludes any of these projects or any of these initiatives except through substantive legislative amendment of the existing legislation.

This is somewhat unlike the situation with county municipalities, where there is jurisdiction to effect annexations, to separate from a county and so forth, without the necessity of legislative amendment. If you're in a regional municipality system, as is Huntsville, you're really straitjacketed except through a substantive legislative amendment.

It's our submission that requiring substantive legislative amendments such as to the District Municipality of Muskoka Act or the Regional Municipalities Act may thwart or preclude or at least make more difficult the engineering of local restructuring solutions, which seems to be the intent and thrust of the government and something which the town of Huntsville intends to respond to. So it seems as if, under the current legislation, some of these objectives will be difficult to attain.

It was anticipated that government Bill 26 would make the situation regarding restructuring much easier for municipalities like Huntsville. It was to our surprise and regret that it does not, as the substantive restructuring provisions found in section 25, and that's at tab 3 of your book, were specifically defined not to include regional municipalities, Metro Toronto, the county of Oxford or the district municipality of Muskoka.

If I can read to you, Mr Chairman, members of the committee, the purposes of the restructuring provisions envisioned by section 1, proposed section 25.1, of schedule M, it says the purposes are:

"(a) to provide for a process which allows municipal restructuring to proceed in a timely and efficient manner;

"(b) to facilitate municipal restructuring over large geographic areas involving counties or groups of counties, local municipalities in counties and in territorial districts and unorganized territory; and

"(c) to facilitate municipal restructuring of a significant nature which may include elimination of a level of municipal government, transfer of municipal powers and responsibilities and changes to municipal representation systems."

That was great and that was what was hoped for by the town of Huntsville and possibly other municipalities within regional systems, but regrettably, if you read down the page, you read "locality" and "municipality" specifically do not include a regional, metropolitan or district municipality or the county of Oxford. So regrettably, what we thought we were getting to give us the tools to properly respond to the changes which are coming along was not included. It seems a little ironic that county systems, which are not as straitjacketed as municipalities and regional systems, seem to get all the flexibility and the tools, whereas we in a regional system don't.

I understand that the representative from AMO who spoke to you yesterday also expressed some concern that regional government systems were not included in the substantive restructuring provisions, although I note from having reviewed AMO's brief that there were no specific recommendations.

I point out that Muskoka is surrounded by either counties or district municipalities; it's not surrounded by any other regional government systems. To the south of it is the county of Simcoe, to the east the county of Haliburton and to the north the district of Parry Sound. These are all municipalities which will have the benefit of the new restructuring provisions, and it seems that there is no good reason to exclude Muskoka. It may even thwart some of those other municipalities from some projects they may have which could include the district.

I've suggested four ways in which the legislation could be amended. If you could turn to tab 4 of the booklet, I've suggested changes to 25.1 and 25.2 to include, within the substantive restructuring provisions, all municipalities in Ontario. That would be all regional municipalities, Metro Toronto, the county of Oxford and the district of Muskoka.

If, as a result of the anticipated release of the GTA task force, also known as the Golden committee report, there is some hesitation to include GTA municipalities within this new power, they may be dealt with in a slightly different way. Tab 2 contemplates the power extending to all municipalities except for those ones in the GTA being dealt with by the Golden commission.

Tab 6 simply contemplates adding the district municipality of Muskoka and continuing to exclude all other regional metropolitan municipalities and the county of Oxford. As I say, it's my submission that the district municipality of Muskoka is somewhat different from the other regional municipalities in that it's a little farther removed and it's surrounded by county municipalities or municipalities operating under a county structure which will have the benefit of the restructuring jurisdiction.

It's possible that the legislation intended to have included the district municipality of Muskoka within this power and it simply wasn't spelled out as clearly as it might have been. It wasn't the way I read the legislation or my colleagues did, and if that's the case, then possibly the version that I've proffered at tab 6 would make that issue crystal clear.

Finally, it appears that the AMO submission is generally in concurrence with this thrust. As noted, they had expressed some concern and surprise that regional municipalities were not included within the substantive restructuring provisions in sections 25.1 to 25.6.

That's the extent of my submission. I haven't taken too long. I'm not sure, Mr Small, if you have anything you'd like to add.

Mr Robert Small: No, I think you've covered it.

Mr Williams: I'd be happy to answer any questions.

The Chair: We have about six minutes per caucus for questions and we'll start off with the government caucus.

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Mr Hardeman: I appreciate the comments that in fact the general thrust of the M section of the act is in line with what you feel is appropriate for municipalities in granting more local autonomy and the right to governance and to provide the services that the people require and pay for them in the appropriate manner.

The issue that you bring up as far as the restructuring portion of the act is concerned: The reason, of course, for the difference between the regions and the metropolitan area and the county of Oxford is that they have been restructured in the past where amalgamations have taken place and they have found what we thought and what those areas thought was the appropriate way of governing, which had not been done in the other areas of the province. As I'm sure you're aware, presently there is an act that covers the district of Muskoka and the county of Oxford and Metropolitan Toronto, and there is no individual act that covers other counties and areas where they have not yet completed their restructuring.

The intent was that the restructuring portion would cover those areas of the province that needed that type of situation, recognizing that the approach—other than the minister's authority at the end of the approach—could still be followed in any one of those regions to come up with a local solution. It would then require change in the legislation through the legislative process. I appreciate your comment that it may be further drawn out than what should be required; if it is a local option, that maybe there should be a quicker way of implementing it.

My question would be, would you presently have the support or have you garnered the support that would be required under the restructuring section of the act presently with the local municipalities in the region? If the district was included in that section, would the support be there to make a change?

Mr Williams: Following the promulgation of Bill 26, the town of Huntsville looked at the legislation and did pass a resolution not only authorizing this submission but also requesting that other area municipalities support it in that. Because of the timing, obviously this has been rather quick, as everybody is aware. The letters went out, I understand, Mr Small, about a week ago and we haven't gotten responses back yet.

I would note that there have been informal discussions with the municipality immediately to the north of Huntsville, which is the township of Lake of Bays, regarding restructuring. I'm not sure if they have been at a political level—

Mr Small: Yes.

Mr Williams: Yes, they have been at a political level. So there are discussions going on which could not come to fruition under the existing legislation unless we were included within here.

Mr Small: One other comment. We have had initial conversations with the township of Perry, which is in the district of Parry Sound, which is just north of our municipality, about the possibility of restructuring, but we could not do that under the proposed legislation.

Mr Hardeman: In other regions I mentioned that are exempted from that section, a number of regional reviews have been conducted since their inception. Have there been any such regional reviews done in the district of Muskoka?

Mr Williams: I'm not aware if there have been or not. The district of Muskoka came along—what?—about 15 years ago?

Mr Small: In 1971.

Mr Williams: In 1971. Simply to pick up on a remark that you made earlier, I think that while it's quite true that the regional municipalities were reformatted in a way that counties and district municipalities were not, that was done quite some time ago, in many cases 20 or 25 years ago, when the economic and jurisdictional environment was very, very different from today. So it would be my submission that, notwithstanding the fact that the whole issue was looked at 25 years ago, it's appropriate to give those sorts of municipalities the tools to start doing things again and coming up with some things on their own.

Of course, this is all subject to ministerial approval. We can't just charge off and rewrite the map. We've got to come up with a project which is ultimately approved by the minister. But it avoids the necessity of going through a long-drawn-out legislative process, which in some ways may even lead to confrontation which may not otherwise be there.

Mr Hardeman: Thank you very much. Does the town of Huntsville support the legislation as it's written for the restructuring of the other municipalities, those that are not exempt?

Mr Williams: Yes, very much so. We would simply like to be included within it and we can simply see no good reason why we're not.

Mr Colle: Now that we have the solicitor here, along with Mr Small, I'm just wondering whether you looked at—you say you generally support the act—the direct taxation section of the act, section 22, which gives these new sweeping powers for taxation to municipalities, and in your examination of that part of the act, whether you agree with the interpretation of the solicitors from Mississauga that it gives municipalities the power to impose things like gasoline taxes. I'm just wondering what your advice was to the municipality of Huntsville on that.

Mr Williams: I feel we're straying a bit beyond my brief here, sir, but that was not something that we had discussed specifically with the town of Huntsville. I understand that generally the town of Huntsville is supportive of the position made by AMO, which was generally supportive of some of the new powers which would flow to municipalities regarding licensing fees and user fees.

My personal observation is that perhaps the interpretation given by the city of Mississauga and some of the other municipalities goes a little further than what I had read into the act, but that's purely a personal observation, not part of my retainer by the town of Huntsville.

Mr Colle: If I could ask Mr Small, in terms of the cutbacks in subsidies to municipalities, do you foresee making up these cutbacks by going to increased or new user fees, as prescribed in the act, that you'll have that tool kit, so to speak?

Mr Small: I think the municipality, through its budget process, will be looking at all avenues as far as both saving revenue and doing things more efficiently. We've asked all our department heads to reduce their operating expenses by 20% to start with. Certainly the municipality would be looking for all avenues to raise revenue, both on the operating side and through doing things more efficiently.

One comment on the licensing aspect: I think the Municipal Act goes back something like 100 years as far as licensing provisions, and certainly those provisions should be rewritten to give the municipality a little fairer opportunity. I also feel that the licensing provisions that exist in the Municipal Act are very unfair to existing businesses.

Mr Colle: Yes, like the nominal $1 fee for some licences.

Mr Small: Yes.

Mr Colle: Just in terms of the taxation avenues, as you know, the mayor of North York has said that he's going to be looking at imposing a new user fee on firefighting services. God help you if your car catches fire in North York. You'll have to pay $300. Also, they're looking at certain fees for even police services. What do you think of that approach?

Mr Williams: Perhaps to assist, Mr Colle, as I say, it goes a bit beyond what we were appearing here to discuss with you, but I'm on a committee of the Canadian Bar Association of Ontario that deals with municipal matters, and I understand that we will be making a presentation to this committee in London on January 9. Those interpretative matters are certainly matters that we're going to address and they're certainly matters of a lot of interest and a lot of concern, but we're getting a bit beyond—

Mr Colle: Yes, that would be helpful.

Mr Phillips: I really look forward to that. That'll be very useful.

I'm just trying to get an idea of exactly what you're asking for here. My understanding is that if you weren't excluded—and I'll just try to describe what I think Huntsville could do if you are included in the bill. If you decide that you want to expand your geographic territory, which I think is what this is all about, as long as a majority of the residents in the total area vote in favour of it—in other words, Huntsville may vote 90% in favour of it and whoever you want to annex votes 100% against it. But as long as there is a majority of the people and a majority of the municipalities involved—in other words, if there are three municipalities, Huntsville and two others—as long as there's a majority of those two, you then can propose to the ministry that this is what you want to happen. I have a different interpretation of what then happens.

What it says in the act is, "If a restructuring proposal and report under subsection (2) meet the requirements of this section,"—in other words, you've met the requirements—"the minister shall, by order,"—not "may"—"shall, by order, implement the restructuring proposal...." In other words, if you comply with it, it's over, it's done and whoever the bodies you are annexing have no appeal to the Legislature or to the minister. Have I interpreted correctly the act?

Mr Williams: My understanding on reviewing the District Municipality of Muskoka Act, the Regional Municipalities Act and the Municipal Boundary Negotiations Act is that the only way, even with the concurrence of everybody in the regional municipality system, to effect those types of changes would be through an amendment to the regional act. So even if we had the unanimous consent of—

Mr Phillips: No, I'm sorry, if we give you what you're asking for, that's what I think would then happen. Have I interpreted that correctly?

Mr Williams: I think that's probably generally the way I would interpret this. In other words, some things are going to be done through regulation. I think there are going to be some more of the ground rules which we will see come out.

Mr Phillips: So the neighbouring municipality you want to annex, even though they may be 100% against it, once you've decided that you want to do that and you've got a majority vote, then there's no appeal. Have I got that right?

Mr Williams: I think it would still be up to the minister to decide if he wanted to go ahead with restructuring in that form or not. There may be certain criteria that will come out through regulation or otherwise—

Mr Phillips: But if you meet the regulation, it says he shall approve it.

Mr Williams: Yes.

Mr Phillips: That's helpful.

Mr Silipo: That was actually the point I wanted to pursue, which is that I wanted to get your further comments on the portion in your brief where you talk about the cumbersome and time-consuming and uncertain process involved in legislative changes, and you may even agree in terms of all those descriptions of it. But why would a process such as the one Mr Phillips just described lead to a better way of deciding what form of local governments we should have, as opposed to, obviously, discussion and decisions being made locally to the extent possible, but then those decisions being translated by the government of the day into legislation that is then debated and approved through the normal

process of parliamentary democracy that we have in this province?

Why is just leaving it at the whim of the minister more democratic and more appropriate than following the system that we have in this province and have had for many, many years?

Mr Williams: That's a good question. First of all, it appears to me that the thrust of section 25 is to try to promote local solutions. So there seems to be some obligation on the minister to respond to a solution which has been arrived at from some local municipalities which have come up with a restructuring proposal, whereas under the current situation as it applies to regional governments it's purely the Legislature, really, that can decide on a fairly innocuous change of boundary or amalgamation. It's something that comes down from the top. This I see as promoting both in substance and visually the idea of a local solution to a problem or a partnership.

Now, with municipalities not in a regional system but in a county system or in an unorganized district system, you don't need legislative amendment under the boundary negotiations act—I'm not even sure if the minister approves that or if it's some designate of the minister—to be erected into a separated town or city. Again, the final body there, I believe, is the Ontario Municipal Board. For annexations outside of organized territory, again it's an application to the OMB, so much of this is already done without the involvement of the Legislature.

Mr Silipo: But we're talking there about situations where they would be relatively minor changes, aren't we?

Mr Williams: We're talking about very major changes. For instance, we had done some work for the town of Lindsay regarding a proposal by them to separate from the county of Victoria and to become a city. That was not a process that involved the Legislature in any way. It may have involved the OMB, depending on how far it got. But that structure is already in place and that's why it struck me as a bit ironic when the structure's in place already for counties but you didn't extend it to regions or at least some regions, maybe those regions outside of the GTA.

The Chair: Thank you, gentlemen, for coming today to make your submission to the committee.

Mr Colle: We look forward to that London submission.

The Chair: Committee members, before we break, there's one housekeeping matter. That is that the speech that the Labour minister made which we were trying to get a transcript of was not a speech written by the Minister of Labour; it was something she did off the cuff and there are no transcripts of that speech, so we'll be unable to get those.

We will recess until 1 o'clock.

The subcommittee recessed from 1155 to 1300.

METROPOLITAN TORONTO POLICE SERVICES BOARD

The Chair: Good afternoon. May I please have a representative from the Metropolitan Toronto Police Services Board come forward. Good afternoon and welcome to the standing committee on general government.

Ms Maureen Prinsloo: Good afternoon. Thank you for allowing me to make a presentation. My name is Maureen Prinsloo and I'm the chair of the police services board.

The Chair: Maureen, just quickly, you have a half-hour to present today. You may want to leave some time for questions afterwards.

Ms Prinsloo: I'm going to be very brief. My comments only relate to schedule Q, which is that portion that deals with arbitration. I understand that you have heard this a few times before, but while we support the intent of the legislation, it is something that municipalities and police service boards have been asking for for some time as it relates to arbitrators.

Our main concern is in that ability-to-pay section, because we are worried that arbitrators will be tempted to award wage increases on the assumption that they can be paid for by an increase in taxation.

Secondly, where it says that arbitrators should consider the criteria, we would like to see that changed to:

"The arbitration board shall consider and apply the following criteria:

"1. The employer's ability to pay in light of its fiscal situation and without any increase in taxes.

"2. The extent to which services may have to be to reduced, if the current funding levels and taxation levels are not increased."

That is really our main problem with the wording in the legislation.

The other recommendations that follow, on the ability-to-pay criterion and whether arbitrators would be allowed to go into very detailed questioning on the finances of the organization, are something that may give us some concern.

So the recommendation is that in the application of paragraph 1 of subsection 3(5), the board of arbitration shall accept as final and conclusive any statement by the employer as to the financial record or condition as verified by the employer's auditor or senior financial official responsible for the preparation of the employer's financial statement. The board of arbitration shall have no authority to determine the nature or level of services provided or to be provided by the employer.

On the public sector comparisons, we would like criterion number 4 to be deleted, as it does have the potential to cost employers money by forcing wages up. Under criterion 5, the need for qualified employees, you can see our recommendation is, "The employer's abilities to attract qualified employees based on the number of qualified applications for positions recently available, and the employer's ability to retain qualified employees."

Under local factors, we have some problem with this as it is only included in the Police Services Act, but you know, the whole essence of municipal politics is that it's always local issues and those factors are always taken into account.

Of course, we would very much like to see some ceiling on wage awards, because wage increases awarded by arbitrators over the last 20 years have consistently exceeded the wage increases freely negotiated within the municipalities under other municipal bargaining units. So you get a whipsaw effect that the following year the municipal bargaining units go up that much more.

I have found that it tends—and I really do have to say that I find it both on management and association and/or union sides—when you do automatically have to go to arbitration, sometimes the whole feeling of negotiating in good faith does not take place, simply because you just leave everything up to the arbitrator. I think that one of the points in the change in this legislation is that it's going to force both groups, the employees and the employer, into more good-faith bargaining.

My last point is that under the Police Services Act we have to have the consent of the Ontario Civilian Commission on Police Services to terminate the employment of a member of the police service for purposes of reducing the service's size. Schedule Q does not speak to the issue of when and how arbitrators are to consider the need for such consent when they consider the extent to which services may have to be reduced if current funding levels are not increased.

All that we're asking under this is that there should be increased legislative clarity to confirm that an arbitrator need not be concerned with the consent process in assessing the impact upon services if funding levels are not increased.

That is my presentation.

The Chair: Thank you very much. We have about six minutes per caucus for questions. We'll start off with Mr Phillips from the opposition caucus.

Mr Phillips: Thank you, Ms Prinsloo. I appreciate your presentation. This actually was the first section I looked at in the bill, because I always assume that the one that's the most important is probably the one that got at the end, and this is the last section of the bill. When we were briefed by the Ministry of Labour officials, they told us that this concept of ability to pay is common, and in fact they said it existed in many jurisdictions. So we said, "Great, just where does it exist?" They said, "Well, we don't have that material with us now, but we'll send it to you." They sent the material to us and then I said, "I can't find it anywhere in here." They said, "Oh, you're right. It doesn't exist anywhere else"—according to the ministry officials. Apparently at one time it did exist in British Columbia, Alberta and Ontario, but it has been taken out for whatever reason.

We're interested in improving collective bargaining; I think that's the purpose of this legislation. Are you aware of where the language around ability to pay exists and how well it works in jurisdictions where it does exist?

Ms Prinsloo: No, Mr Phillips. I only know that when I was a municipal councillor it was something that we had always asked for, and certainly now within the police services board, where salaries make up 92% of our overall budget, it's something that we would like arbitrators to take into account.

Mr Phillips: Right. Did you or any of the organizations explore why it was taken out in other jurisdictions? Was it because it wasn't working? There must be a reason why it was taken out.

Ms Prinsloo: They had a better lobby group than us?

Mr Phillips: I don't know. You are not aware of why it went out?

Ms Prinsloo: No.

Mr Phillips: Have you had a chance to review your proposals with your own police association, of saying: "Here's what we're proposing to the legislative committee. Do you have any comments on it?"

Ms Prinsloo: No.

Mr Phillips: Have they taken any opportunity to let you know what they think of these?

Ms Prinsloo: No. I read their newsletter.

Mr Phillips: I haven't, actually. But they didn't comment to you?

Ms Prinsloo: Well, obviously, Mr Phillips, I did read their newsletter and they are very concerned about this particular section in the bill. I would presume that that's a normal reaction if we are very pleased by it.

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Mr Phillips: Genuinely, I think we're trying to find a way to improve collective bargaining among these groups, because they're quite important—our fire organizations, our police, our hospitals, our teachers. Would you characterize this as a significant shift in the collective bargaining process for working with the police organizations or a minor shift?

Ms Prinsloo: I would think that it is a significant shift, but I'm not sure, when you use the term "collective bargaining," how much collective bargaining ever takes place under an arbitration process.

Mr Phillips: Would you think this would be likely to improve collective bargaining?

Ms Prinsloo: Yes.

Mr Phillips: Is it possible that if this substantially strengthens the employers' side—and I think we all would agree this is a substantial strengthening of the employers' side, because as you say this is a major change and one that you like very much; the police association likes it very little, so it shifts it—there's at least a possibility that it's in your best interests, this improves your likelihood of getting a decision out of an arbitrator that is favourable to the employer?

Ms Prinsloo: Actually, Mr Phillips, I see it as we're going to have improved collective bargaining, that both sides may be a little bit more willing to discuss the real, substantive issues that are before us, rather than just shrugging and say, "We'll go to arbitration."

Mr Phillips: There has been a difference of opinion around the wording, "The extent to which services may have to be reduced, if the current funding levels are not increased." As people always say, I am not a lawyer, but I interpreted that to mean that the arbitrator has to consider the extent, the fact that the line above it says, "In making a decision or award, the arbitration board shall consider the following criteria," and then 1 and then, "2. The extent to which services may have to be reduced, if the current funding levels are not increased."

I interpret that to mean the arbitrator shall consider the possibility of having to reduce, in the case of the police organization, the number of officers if funding isn't increased. Does the services board have a view on that, of how the arbitrator must consider level of service as a result of this amendment?

Ms Prinsloo: In the wording before numbers 1 and 2, it says, the board of arbitration "shall consider"; in number 2 it just says, "The extent to which services may

have to be reduced....” As I had said earlier, in the whole business of doing more particularly—and I can only speak for Metro Toronto Police Services, that as 92% of our budget is salary, any reduction has to come in the level of service.

The Chair: Thank you. Sorry about that. We have to move into Mr Silipo's time now.

Mr Silipo: Ms Prinsloo, could you tell us what the history of bargaining has been like in, say, the last 10 years between the board and the association in terms of how many times you've reached agreement through bargaining versus going to arbitration?

Ms Prinsloo: Three out of seven.

Mr Silipo: Which is which?

Ms Prinsloo: We've negotiated three times out of seven.

Mr Silipo: I've been struck as I've watched the discussion on this—and we haven't heard from the police services association. I don't know if we will; this is the last day that we're sitting in Toronto apparently. But we did hear from the firefighters' associations and they had some interesting statistics, which I think were verified last night when we had representatives from the Ontario Association of Police Services Boards, whereby it seems that overall only a small proportion of negotiations end up in front of arbitrators, although there are clearly large disparities within municipalities. I've been struck through this, in looking at some of the statistics, to find that the employer groups, if I can put it that way, who have been most strongly arguing for these increased powers to be put in the hands of arbitrators, the powers you're asking for, are, as in your case and the city of Mississauga, those where there has been a larger incidence of recourse to arbitration.

Following up on your exchange with Mr Phillips, my question is, if these powers are approved, in terms of the financial settlement, what would be the difference between the position you would take before an arbitrator about what you deem you could afford to pay and what an arbitrator would be able to award? What would be the difference? Would there be any? If you said, “We could afford a 1% increase, and that's it,” the arbitrator, it seems to me, would basically be tied to that as being the award.

Ms Prinsloo: I don't believe so, Mr Silipo. This doesn't say that the arbitrator naturally has to take what the police service board recommends.

Mr Silipo: If you were to say, “All we could afford to pay without any increase in taxes would be a 1% increase,” for the sake of argument, and if the arbitrator is forced, under your suggested amendment, not only to consider but also apply to that criterion, what discretion would he or she have to come up with an award different from that?

Ms Prinsloo: The position we're in now is that we want to be able to negotiate on a lot of the productivity gains within our present Police Services Act. I am not going to blame the police association for the state of our collective agreement, because that's what it is, a collective agreement. While we generally lost most things in arbitration, we did many years ago agree to the compressed workweek schedule, which we will most probably now try and get some changes to. In the whole process of arbitration, I think it's those things that may create better productivity gains that would allow us to use that in any form of wage increase.

Mr Silipo: I don't understand what flexibility an arbitrator is left with at the end of the day, particularly if your amendments were to become law. It seems to me it would basically say it would be up to the employer to determine what the level of wage increase, if any, there would be.

Ms Prinsloo: I don't believe the arbitrator's hands would be tied to whatever the employer put forward.

Mr Silipo: What flexibility would he or she have? To move that 1% around in any number of ways? Is that the flexibility they would have?

Ms Prinsloo: To allow some of the productivity gains that we would like to see happen that we can't gain under our collective agreements now. We've never been successful in getting these matters to arbitration. I really do believe, and I said this to Mr Phillips, that the main part of this is going to be that we will actually bargain collectively in a much better spirit than currently happens.

Mr Silipo: Maybe we don't have all the information on this that we probably should have, but the only parallel I can draw is the information we've been given in terms of the firefighter situation. Both associations made it quite clear and said to us that 15% of cases end up in front of arbitrators, so the vast majority of cases across the province—and I suspect it's the same with the police services, but correct me if I'm wrong—do end up being now settled through collective bargaining and through an agreement being reached by the parties, not by arbitration. I guess I don't appreciate the need for these kinds of draconian powers to be given to arbitrators.

Ms Prinsloo: When I was on Scarborough council we dealt with the firefighters there. It's the basis, possibly, of how some of the larger cities have more difficulty in achieving this. In most instances the municipalities and the police have been very generous over the previous years in the awards and benefits that have been given. We find that to provide front-line service now we have to look at all those things. At the moment, the association has not really been willing to discuss any of those but has just left it up to arbitration.

1320

The Chair: I'm sorry to interrupt, but that's the end of Mr Silipo's time. Before we go to the government caucus, I wonder if you could introduce the gentleman who's joined you.

Ms Prinsloo: This is Michael McGuire, who is our director of labour relations.

Mr Joseph N. Tascona (Simcoe Centre): Madam Chair, we've heard from the school boards and trustees, the municipalities and businesses and the police boards, and they share your view that the criteria should be strengthened. What we're hearing, the reasoning, is that the purpose is to control the costs and it should be in the public interest, not the interest of the employer versus the employee.

We heard last night a little about productivity bargaining from the provincial association. What was suggested, and I wonder if this is your experience, is pattern bar-

gaining conducted by associations of firefighters and the police and even in the hospital sector. There's a standard set by the arbitrator, and what would result would be that other employers would follow and wouldn't bother to go to arbitration because that standard has been set and there would be little incentive to negotiate and use the arbitration process as a step because it had that standard set. Has that been your experience?

Ms Prinsloo: Once there is one award, the other awards tend to follow in the same line, so you do feel you're caught up in whatever the first arbitration award is going to be. It's not likely to be less than the first, and it could be more.

If you're going to say that the different organizations get together to decide what they're going to negotiate on, that might sound fine in theory, but it doesn't really work in practice because each community has a different set of standards. While you might like to achieve something and it would be nice to think we could all agree collectively on something, it just doesn't happen.

Mr Tascona: But do you find that the process is that one of the larger municipalities will have an arbitration, set the standard for that larger group, then you'll have another group, based on the size of the municipality, and so on, and that would reduce the need to go to arbitration, that the result would be greater numbers being freely settled but the arbitration process being used as the whip?

Ms Prinsloo: I find that doesn't necessarily happen within the police sector. They go to arbitration because it's their own particular case; they may do worse, but they may be able to get other items on the table.

Mr Tascona: I think you've indicated that you feel the mandatory approach will lead to an incentive to freely negotiate rather than go to arbitration. We've heard about productivity bargaining, which is coming to the fore, which is sort of like a restructuring compensation package. Do you think that will apply here?

Ms Prinsloo: I believe so. I believe it's going to be beneficial to the Metropolitan Toronto Police Services Board.

Mr Tascona: Do you think this approach to productivity bargaining restricts the arbitrator's independence?

Ms Prinsloo: No, I don't believe so.

Mr Tascona: I just want to ask you one more question. In the mandatory criteria, I just want to call on what Mr Phillips has said. I've looked at the legislation, and certainly in the mandatory jurisdictions relevant factors can be considered. It doesn't specifically say "ability to pay," but certainly that would be a factor that could be considered. It's out there in other jurisdictions.

But I'd like to ask you about one other area, freedom of information. We've been given the analogy that the public owns the material and the public has a right to that material. I would use the example of the government bookstore. They have materials there that are produced, and there's administration and a fee charged. The same thing could be applied to freedom of information. They ask for material and there's a price for production and also administration. Do you find that what the government is proposing satisfies the needs of the police force?

Ms Prinsloo: I'd love to give my comments on freedom of information. I found as a municipal councillor that once the freedom of information act came in, we were allowed to give less to people than we previously gave.

The denial of the request for access if it's frivolous and vexatious—anyone who's dealing with freedom of information and the number of requests you get would be pleased to be able to do that. But I still think there has to be some way that if an organization decides to treat everything as vexatious, there should be some recourse.

On the ability to pay, the mandatory application form, the fee—

The Chair: I'm sorry, but I'm not going to be able to let you get an answer in on that. We're sticking quite closely to a half-hour limit for each presenter. I apologize for having to interrupt you, but I do thank you for coming forward today and making a presentation to the committee.

Ms Prinsloo: Thank you.

The Chair: Is Laura Jones available? While we're waiting to see if Ms Jones is going to be here, I'll call a recess.

The subcommittee recessed from 1327 to 1401.

MUNICIPALITY OF METROPOLITAN TORONTO

The Chair: Good afternoon and welcome, gentlemen, to the standing committee on general government. Today you'll have half an hour to make your presentation. You may wish to leave some time at the end of your presentation for response and questions from the three caucuses. I'd appreciate it if you'd start off by reading your names and associations out for the benefit of the members and for Hansard.

Mr Alan Tonks: Thank you very much, Mr Chairman, we'll proceed as expeditiously as we can. My name's Alan Tonks. I'm the chairman of Metropolitan Toronto. With me are Bob Richards, our chief administrative officer, and Ozzie Doyle, our solicitor. You know the old saying, "Never travel without two good torpedoes." I've got two, one of which is a lawyer, so that's not too bad either.

Thank you for the opportunity of being before the committee. Our presentation hopefully will take about 10 to 15 minutes, and we'll be open for questions.

We have a number of concerns regarding the proposed legislation, some of which focus on the substance side and some on the process. I'd like to state right up front that we support in principle the initiatives that are encompassed through the bill and our comments reflect some of the concerns and recommendations of the council of Metropolitan Toronto that debated this issue just yesterday. We've had to scramble pretty fast over Wednesday and Thursday to put our presentation together.

These concerns, observations and recommendations fall into three categories: some general remarks on the legislation and the development of the review process, which I will make; then concerns with respect to the specific sections of the bill; and then a summary of the legislative changes which we have previously requested of the government which are not included in the bill.

As I indicated in my introduction, the majority of comments from members of council relate to the process which the legislation is being reviewed within, and I must point out in as strong terms as possible that the schedule that has been approved with respect to the process doesn't provide municipalities or citizens with the time to adequately reflect on the proposed legislation and then to comment on it in a full, open and democratic manner.

This ability is hampered further by the various components of the legislation which have been brought together in a single omnibus bill. That further complicates both citizens' and the municipalities' ability to respond.

Metropolitan council has recommended that the bill be divided into its various component parts and that each part of the omnibus bill be considered through an open process and then as separate items of legislation. Many of the members of council felt that in this way, people could understand where that particular part of the bill with respect to its intent, and what it was expected to accomplish and why, would be better understood by the public and by the various municipalities.

Many of the key requests for legislative changes made to the provincial government by Metro and the Association of Municipalities of Ontario have been incorporated, at least in part, in Bill 26. As I indicated, because we agree with them in principle, we laud and we support those initiatives. We believe those initiatives have been made in the spirit of partnership and the intent of the government to pursue good government for Ontario.

We'd like to put before you some ideas which we believe will help Metropolitan Toronto do its part, as part of the partnership, that will bring good government to not only Metropolitan Toronto, but by virtue of Metropolitan Toronto's size and its role within this country, will bring good government to the country. I hope you will be open and receptive to some of these suggestions and I'd ask Bob Richards to give you some of those kinds of initiatives that we feel would be and should be part of the bill.

Mr Bob Richards: I'll be brief so you can have time for some questions. As Chairman Tonks said, we welcome the ability this act gives us to improve the municipal autonomy. We think that's critical in these times, if we're going to try to manage our way out of the fiscal situation that we have.

At the same time, we're somewhat concerned that the act gives power to the Minister of Municipal Affairs to then limit this autonomy granted to municipalities in the bill. In the absence of actual regulations, it's impossible for us to determine definitively what scope of powers we actually do have. That makes it difficult for us to manage, and I think it's increased ability to manage that you want to give us as the tradeoff, if you will, for the lessened financial resources.

We see two possible solutions to this problem: number one, that regulations be developed concurrent with implementation of the bill so that our scope of authority is known; or that the statute be amended to clearly set out the limitations on municipal powers rather than reserving such authority for ministers of the day. We feel this would avoid the uncertainty and ensure that the intent of the bill, which is to expand municipal authority, is not undermined in the future.

In the event that the government pursues its proposed approach to the regulation-making, we strongly recommend that a process be established for obtaining broad municipal public input into the content of draft regulations.

With respect to block funding, we support again the principle of block funding. While we may not like the absolute amount that was funded, we do support the principle. While on the surface of the legislation it allows municipalities to establish their own spending priorities, the reality again could be questioned. Again, regulations can be introduced to set standards with which municipalities must comply. In effect, this turns an unconditional grant back into a conditional grant, in other words, undoing the bargain that was to be struck.

Our council's concern in this area is augmented by the province's reducing municipal funding while increasing municipal responsibilities, particularly when such responsibilities can be defined by a minister by way of regulation with little consideration for our ability to accommodate the increased responsibility.

In the area of user fees, there is, I think, some concern by our council again that a poll tax is possible. We would simply recommend that this be explicitly precluded from the legislation. Generally, in the area of user fees, more information is needed on the types of fees available to municipalities and how these fees and charges are to be reconciled with the existing provisions in our Metropolitan Toronto act.

1410

With respect to arbitration, again we support the establishing of criteria for arbitration, given that police is $500 million of our $1.1-billion tax bill. It must be clearly stated that arbitrators, when considering an employer's ability to pay, should not be able to question taxation decisions or existing service levels. These business decisions are clearly the responsibility of individual councils to whom you want to grant more autonomy. In addition, it must be clearly stated that arbitration criteria cannot be used to launch extensive hearings on a municipality's finances. It is vital that the legislation require the arbitrator to accept the employer's approved budget as proof of financial capabilities.

One criterion in this section directs arbitrators to consider the earnings of comparable employees in the broader public sector. To avoid the perpetual leapfrogging that can occur, we recommend that this be deleted. It invites arbitrators to ignore the budgetary realities of the employer and contradicts the other criteria, the focus of which is ability to pay. Our written brief, which I think you have, contains specific recommendations on how to reword this section of the bill.

As you know, and as the chairman mentioned, there are aspects of the bill that we would like to see amplified to again help us carry out your agenda, which is to balance our budget with no increase in taxes. We have, for example, over the years asked for reduced accounting requirements. I was pleased to receive something on my desk today where you have eliminated this complicated loan/grant arrangement, so we compliment the government of the day on that and look forward to more similar streamlinings.

We also need the opportunity to have Metro, for example, be able to rename the O'Keefe Centre. It is not a local board under your act and therefore we may not, for example, do something as simple as sell the name of the O'Keefe Centre without going back to the province for a change. Those kinds of things we need removed.

We are also repeating our request for something which we believe would go a long way towards helping us balance our police and transit budgets, for example, which is an additional revenue source of Metro, a Metro or municipal lottery. We think it would hit a new target market, if you will, of lottery ticket buyers and we think we could virtually guarantee no tax increase if we had that kind of tool at Metro Toronto with no offsetting loss of revenue to the province of Ontario.

We also would like to reintroduce asset testing of potential residents in our homes for the aged when determining eligibility for space and fees. This would help us balance our homes-for-the-aged budget.

Again, and finally, we would like to have introduced road user fees to generate revenues to help us balance our roads budget.

In summary, from our point of view there are many good aspects to the bill. We've suggested some modifications to wordings and we're asking you for the tools that we've been asking for now for some years to help us in this area of reduced funding to help us balance our budgets.

Mr Tonks: In conclusion, as I indicated, we support the principles of the bill and we support it in principle. We believe, as a major level of government in partnership with the province, that the deconditionalizing and the loosening of strings gives not only the responsibilities but the opportunities for government to act creatively in the interests of bringing good government to Metropolitan Toronto. We have our concerns that the CAO has outlined. We also have some suggestions that are in keeping with the spirit of the bill. We wish you well as you embark on taking the bill through its processes.

Our final caveat is that we think parts of the bill would benefit from further examination and further debate, but we look forward to the years ahead in terms of striking our priorities and being able to have the legislative tools to implement those priorities in the interests of people of Metro. Thank you very much.

The Chair: Thank you very much, gentlemen, for your presentation. We have about five minutes per caucus. We'll start with Mr Silipo.

Mr Silipo: Chair Tonks, just quickly a couple of things, because there isn't unfortunately as much time as one would like to clear up all of these issues, but just on the process, first of all, can I take from what you said and what's in the resolution passed by council that in fact if there was a way to take a bit of a pause, reflect upon the changes that are here, while you're in general agreement with the thrust, that would be a useful way for many of the concerns that you have to be addressed? If the government were willing to sort of delay, in whatever way, this bill, perhaps look at how we could split it up over a number of different sections and look at some of the amendments that have been suggested by you and others, that would be something you would support?

Mr Tonks: I think that generally speaking that's the position of the members of council, the majority, and just to reinforce that, on the note that the CAO had indicated, what we are concerned about to a certain extent is that the thrust of deconditionalizing is in fact more arbitrarily posed into the minister's hands and then we're back almost to an unfettered kind of conditionalizing once again, and that's really contrary to the spirit of the bill.

Mr Silipo: In fact, in some ways that would make the situation even worse than it is now, wouldn't it, because now we'd be taking powers that at least at this point one could argue have to be debated somewhere in the Legislature and putting them into the hands of the minister to pass by regulation.

Mr Tonks: One of the advantages of having a little more time is that you can think those things through and you can be a little more specific on the legislation so that once the apron strings are actually cut, the spirit of the bill is understood and implementable by the local municipalities.

Mr Silipo: You're suggesting at the very least then, if the government isn't willing to have more time, that there should be hearings held on the regulations that flow from this legislation, given the importance that they have.

Mr Tonks: Recognizing what I've said, that generally speaking the principle of more autonomy for municipalities and the ability to set their priorities is accepted and welcomed by the municipalities, and in particular by Metropolitan Toronto.

Mr Silipo: As you know, we've talked a lot about the taxation powers that are being or not being passed on to municipalities under this, beyond the user fees. We've talked also a lot about the user fees. I wondered if you or your solicitor could just talk to us a little bit about that, because just as I've quickly gone through, I picked up a couple of points that you've made. Listening to you, one of the points you make is that you're not clear, or your solicitor, I presume, is not clear, about whether there is in fact clear authority in here to impose gasoline taxes. You seem to think that there is authority to impose a poll tax and you're taking the position of saying that should be clarified so as not to allow a poll tax.

Mr Tonks: That's right. But—

Mr Silipo: The other discussions we've had have been around just a straight income tax, whether that is possible. There's some argument that that may be possible under some of the provisions, and indeed any other form of taxation. Could you just talk to us a little bit about that?

Mr Tonks: Specifically, the council is opposed to a poll tax. It's regressive. But in terms of designated taxes for designated purposes, we're in favour of those. Perhaps the solicitor can advance the answer to the question with respect to the looseness, if you will, of taxation abilities.

Mr Ozzie Doyle: The question came up at the council meeting yesterday. It's about, to start off, talking about a gasoline tax, and the trouble I have with the legislation—and people talk about income taxes or sales taxes or gasoline taxes—I don't see those words in it. Similarly, I don't see the words with respect to a poll tax.

What I do see is an attempt to broaden the powers of municipal councils to charge fees in respect of their ser-

vices and activities. I see a linkage. It's more a connection between what the municipal councils already have power to do, or new powers given from time to time, and the cost of them and setting up a relationship really between the citizen who's using the service and the cost of the service. I see it more as a user-fee-driven piece of legislation.

But what I also see, and where the problem comes in, is that the language they use is very, very general, and it has permitted, or allowed, a lot of confusion and it has allowed people to start talking about gasoline taxes, income taxes, sales taxes and poll taxes.

My own personal opinion is that they aren't there. There are 34 members on the Metropolitan council, and a significant number of them do feel that the language, particularly with respect to a poll tax, is brought up to support that kind of tax and they've raised that concern. They raised it during the debate and during the motions and it's reflected in the material that's in front of you today.

What they're not saying—

The Chair: Excuse me. I apologize, but we have a certain amount of time for each caucus and we've just come a little bit beyond the time. Perhaps the government caucus will donate some of their time to let you continue that question, if they choose, but I have to move to Mr Hastings now.

1420

Mr John Hastings (Etobicoke-Rexdale): Gentlemen, I'd like to ask you, in terms of the privatization proposal where you would like to have the authority to incorporate a number of Metro crown corporations or non-shared capitals, could you be specific as to types of activities you would see these sorts of new vehicles fitting into? Would they include homes for the aged, possibly a Metro garbage corporation, waste water treatment or the Metropolitan Licensing Commission, all those or more, and would they be exclusively Metro responsibilities?

Mr Tonks: Let me talk to the general legislative framework and then the solicitor can obviously talk to the specifics. Generally speaking, we support the principle of allowing and encouraging municipalities to enter into public-private partnerships. Some of the areas that you've mentioned, Mr Hastings, are those areas we'd look at, but they are encumbered to some extent, or fettered, by some of the provisions that are in either Metro-specific legislation or general legislation.

For example, with respect to the O'Keefe Centre, it is a statutory body that has its own letters incorporate. To be able to use the name and market that, if you will, will have to have some enabling legislation.

When you talk about the homes for the aged, certainly successor rights with respect to labour contracts have to be reinvestigated.

In terms of the homes, again, on a geared-to-income basis, for looking at the charges for those who are going to the homes, we'll need special legislation. We don't have that legislative authority.

In terms of the ambulance services, we are relegated under provincial regulation and statute with respect to who and how charges can be levied, and in fact we're even relegated by the initial agreements in terms of the service shed. We presently serve parts of York region that should be renegotiated, should be re-established through legislation.

Perhaps the solicitor can talk to the actual legislation that enables us to do these things.

Mr Doyle: The reason this has been incorporated: Municipalities are by laws significantly circumscribed in the kinds of powers they have and the ways they use them. What this means today is that the Legislature is being asked to provide the Metropolitan corporation with a vehicle that gives it, in respect of certain economic development type or social development type of initiatives, a little more freedom if you could use a statutory corporation. That's what it's there for now.

I understand that there's now developing a discussion among municipal law people and municipal politicians to create a new Municipal Act, and if what was done in Alberta is done, then this isn't so important any more, but the idea is to empower a municipality as a natural person or like a business corporation. If it had that kind of powers, instead of the circumscribed kind of powers it has today, then it could have more flexibility to do things. That's what this privatization initiative is and what this new discussion I referred to is all about, just an empowerment.

Mr Hardeman: I just want to go back to the issue of the taxation. We had a lawyer in this morning, one of the very few who has so far addressed the committee, and he suggested in his comments that those who were interpreting the allowing of a poll tax were going further than he would go. He was not expressing a legal opinion, but that was his position. I kind of got from the comments just made by the solicitor that in fact that's what you were implying, that some would see it that way, that there were some members of council who felt that that was the way it was, but you were not saying that it does allow—

Mr Doyle: It depends on what you're calling a poll tax. To me, a poll tax is a general tax against, for example, the adults. It says "class of persons" in here, but against, let's say, all the adults in the community. It's unconnected to the delivery of a specific service. The language here will permit, I think—or certainly there's a very good argument it will—for example, a general tax in respect to policing charged off on a prorated basis against all the adults.

I don't think that's what your section—it's on page 15 of the draft of the schedule M that I have, the new section 220.1 of the Municipal Act. Subsection (2) has language that broad, but I personally don't think it's really meant to do that. I think it's more, "If you want to come to our park, it costs 50 cents because that's what we average out as a fair cost for use of the park." It's that kind of thing.

What you have is a subsection (3) that has what I call language of description as opposed to language of prescription. I think your subsection (2) is prescriptive and your subsection (3) is descriptive, but the language allows quite a free-wheeling debate about all kinds of taxations. It says:

"A bylaw under this section may provide for,

"(a)"—for example—"fees and charges in the nature of a direct tax for the purpose of raising revenue."

It's very general language. I think that is meant to be descriptive, not prescriptive.

The Chair: Thank you, Mr Doyle and Mr Hardeman. I apologize; you've gone beyond your time. We have to move finally to the opposition.

Mr Colle: Obviously, we've been going through. We had Hazel McCallion coming in here one day and say you could have a gasoline tax, direct tax. We had the minister in the House change his mind inside the House, outside the House. But obviously we need more time to try and pin this down, exactly what powers were given. That's what I think your council is asking for.

But my question's a bit different. Have you looked at the part about restructuring that excludes Metropolitan Toronto because it's a region? I know the parliamentary assistant, Mr Hardeman, has asked the question of other municipalities. I think Haliburton was in here earlier. He said, "How would you like if this type of restructuring approach was brought down to include the future restructuring of regional governments like Metro?" To be very clear, in that, as you know, in the restructuring that takes place under Bill 26, the minister will have arbitrary power to decide who gets restructured, who gets amalgamated, with no debate in the House, just restructuring through regulation, I ask you the question, Chairman Tonks: Do you think that approach is a rational, plausible approach in terms of the future restructuring of the GTA, which Metro is the heart of?

Mr Tonks: I think that under the annexation provisions of the existing legislation, the province, after a process, obviously, has the authority to recommend annexations and has done so in the past. These present regulations preclude the kinds of annexations, amalgamations, that have taken place outside of Metropolitan Toronto and don't include Metro.

When you talk about the implications, quite frankly, I think the implications even go beyond the capabilities of the Golden commission to be final in the sense that we all feel comfortable with that degree of finality, and I wouldn't recommend, obviously, that those provisions that are in this bill be applied to Metropolitan Toronto. And I don't think the government, in separating them out, has not been cognizant of how difficult it will be, in fact, to recommend the changes to Metropolitan government.

I have to tell you that I believe annexations and amalgamations, in the fullness of time, will lead towards better government, but in terms of Metropolitan Toronto, I can tell you right now that our position will be, when the Golden commission report comes out, that there should be a period of time for consultation to the various interests: not just the municipal governments, but the various interests that make up municipal governments in Metropolitan Toronto.

Mr Phillips: I want to return to the tax one, because if this goes through the way it's written, it'll be the biggest make-work project in Ontario's history for lawyers—and in fairness to all of us, I think everybody has a different interpretation.

Here's the conclusion I've reached, though: One is that—and you're one of the municipalities—many municipalities would like the opportunity to impose a gas tax. I think Mayor McCallion has indicated that; I gather you've been asking for it many times; we've had other municipalities requesting it. They would like that opportunity. Some municipalities feel with the existing language they can do it. Others feel they can't do it with the existing language.

My point is this: I think the only solution is for the government to declare its intention clearly, that is, what does it want this section to do? What things do they want permitted? The municipalities can then say to us, "That's what we were asking for." AMO was in here yesterday, and they seem to think it's quite all-inclusive. I think they think it would satisfy Metro and Mayor McCallion.

1430

I guess I'm looking for your legal advice, or yours, Chairman Tonks. Our belief is that the government must say, "Here are the things we think this says and here are the things we think it doesn't say." And I believe the section your councillor suggested has to be clarified, that is, the one on "the nature of a direct tax" should be very much clarified. I'm just looking for advice from you about whether our solution, which is to have the government declare its clear intention and then to amend this section so that its clear intention would be carried out, meets your needs.

Mr Tonks: Let me be very clear that we support a dedicated tax from, for example, gasoline and motor vehicle licensing and regulating to the maintenance of both capital and capital out of current for the roads and the transit systems. We support that very specifically, because it's obvious that we do not have the capital capability of keeping up with the maintenance. We are being constricted on transfers, we're getting further and further behind in our capital maintenance for our roads and transit systems, and ridership is falling and the fares are going up. It's a very vicious cycle.

How you do it is the key, how you do that in a progressive way as opposed to a regressive way; how you account for the anomalies of gas stations that will be north of Steeles Avenue as opposed to south of Steeles Avenue; how you gross up those taxes from gasoline and motor vehicle registration so that they are attributable on a user basis, with some degree of integrity and credibility, to the people who actually use those roads. It's a difficult thing to do. The principle is sound, but it's how you do it in a progressive way that's difficult.

The Chair: Thank you, Chairman Tonks. I often have the unhappy task of telling people when their time is up, and your half-hour has come to an end. I'd like to thank you for coming forward today to make a presentation to the committee.

Mr Tonks: Thank you very much. Compliments of the season to the members of the committee. Thank you for giving us the opportunity.

SHIRLEY FARLINGER
DEREK PAUL

The Chair: Could Shirley Farlinger please come forward. Welcome to our committee. You have half an hour to make a presentation, which you can use as you see fit. You may wish to leave some time at the end of your presentation for questions. Please read your name

into the record for the benefit of Hansard and the committee.

Ms Shirley Farlinger: My name is Shirley Farlinger, and I've also invited Derek Paul to make a short presentation as part of the half-hour we have together.

First of all, I'd like to thank you all very much for your patience, especially during the holiday season.

I think you have a copy of my presentation in front of you. My work is usually on violence against children and on peace issues. I've been an intervenor, though, in government hearings many times, usually on defence and international policy. As a journalist, I have been to the United Nations many times. I'm especially thinking today of my attendance at the children's summit, where Canada, as you might remember, was co-chair and one of the movers and shakers at that summit. This is where we as a country promised to give first call to children. I don't know if you've had children make a presentation here.

Mr Young: No.

Ms Farlinger: All right. Then I'll try and speak for children, as a grandmother.

I laud the government for its efforts to reduce the deficit and promote economic prosperity. In fact, nothing would be better for the children of this province than economic prosperity. To me, this means good jobs for parents, good job prospects for children and government assistance when needed.

I want to remind the panel that Canada signed the Convention on the Rights of the Child and it is now international law. One part of that states, "Parties recognize the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development." That's really what we're aiming for and working on here.

However, I believe the writers of this bill have fallen into a trap which is unfortunately all too common in the world. I refer to the trap of thinking that reducing public expenditures and cutting taxes is the best or only way of obtaining economic prosperity. Money spent on social programs I do not believe was the cause of the debt, and cutting social programs will not ultimately reduce the debt. Under no circumstances can we turn our backs on the welfare of our children. They did not incur this debt, they didn't get us into this situation, and they should not now have to pay the price.

I notice there's a great willingness on the part of citizens of Ontario to do their part to restore our financial health. However, sensibly, the only people who can contribute are those people who have money. If people believe that the more affluent citizens are not doing their share in proportion to their ability to do so, people will be rather unwilling to continue to support any of the government's policies. I would ask the government to list the ways in which the more affluent of Ontario's citizens and its corporations are contributing to reducing the deficit. We now see the terrible phenomenon of companies making increased profits and at the same time downsizing staff. More and more people, even very qualified people, are on the streets of this city.

I am pleased that hundreds of people and institutions are making the effort to present their views on short notice and with no intervenor funding. It shows that the people of Ontario are truly concerned about their government and are eager to offer help and are capable of making many excellent suggestions. However, it has been my experience that extensive public consultation does not necessarily result in any policy changes that resemble the advice they've been given.

Premier Harris has even said that this government will not put the brakes on its budget belt-tightening. This was in yesterday's Globe and Mail and I included that article in my report. He says that the bill may be altered in response to our presentations, but it will still be passed at a special session on January 29. I do not believe it is possible that it is not the intention—I should maybe not say it's not the intention of this government. Strike that out. I do not believe it is possible, though, to address the concerns raised by the hundreds of submissions by that date.

Premier Harris says the main problem is that people did not understand the government's proposed actions. Actually, people need some kind of guarantee that they are being listened to and that they will have an influence on the economic future of Ontario. Consultation is an important lesson for children in citizenship. At this time, our children are learning about conflict resolution and democracy, and we ought to be practising it ourselves.

Poverty is itself a form of violence against children. We have many shelters and support services for battered women and children in Toronto. Not every battered child comes from a poor family, but poverty and unemployment add to the strain on any family. There are over one million children living in poverty in Canada. It would be so helpful if the government made a real effort to examine the root causes of violence and thereby perhaps reduce the need for the number of shelters.

I would like to quote from a document which Canada supported. Although there are perhaps some ways that this is the concern of the federal government, I think it's important for Ontario too, especially now that some of the powers are being switched from Ottawa to Toronto.

Canada committed to "formulating national poverty eradication plans by 1996 with the participation of people living in poverty." I think that was an important part of that. Are we really consulting with people who experience this poverty?

"Setting time-bound goals and targets for reducing overall poverty and eradicating extreme poverty and reducing unemployment, and also to regularly assess its progress and make reports within the framework of a consolidated reporting system." This is what Canada promised in the Copenhagen Declaration and the program of action at the UN Summit for Social Development.

1440

In September 1995, 30,000 women gathered at the fourth UN World Conference on Women, and the non-governmental organizations that represented a huge number of groups around the world agreed on a Beijing Declaration which said, "We call for development and sustained use of affirmative action by both the private and public sectors of society to ensure the equality of women."

The head of UNIFEM, a UN organization, said: "Policies coming out of a system of good governance

would be responsive to the livelihood needs and realities of women and communities instead of appropriating development resources to serve powerful private interests at the expense of the economically and politically weak. Good governance would recognize that since women commonly assume special responsibility for the family and community interest, they must have a central role in both setting and implementing policies aimed at creating more just and sustainable societies."

The government of Ontario seems to be unresponsive to the needs of women. This is very short-sighted, because most jobs are created in the small business sector and most small businesses are started by women. It is also true that most volunteer work is carried out by women. If we are to cut costs, the volunteer sector will have to increase and the jobs carried out by volunteer coordinators will have to be safeguarded. Will women volunteer in social agencies if they're privatized? Each extra charge for medical assistance will add to the number of people in need of this volunteer help.

I have listed 12 recommendations arising from some of these background notes.

(1) This process of consultation must be regularized for all important legislation coming before the House. That's a pretty big thing to ask, I know, but I think this consultation has been the healthiest thing we've seen in provincial politics in a while. This consultation on Bill 26 must continue until groups have had a chance to respond to the government's standard question. I notice that the government at these hearings comes up with one question for everybody, and that is, "What would you do about the deficit and the debt?"

There are many alternatives. The solutions do not lie in a single strategy but in strategies which will link local, regional and national efforts. We ought to redesign our economy and the government to meet our needs, not redesign ourselves to meet the needs of the present financial system. At the very least, the practice of debating legislation with all members of Parliament must be maintained. Cabinet authority is not enough to ensure a democratic process.

(2) There should be no changes to the freedom of information act. I also work as a journalist and I know how important it is for the media to have access to information. If it becomes more difficult and more expensive for the public and the media to keep informed, government will not be able to respond to the people.

(3) Measures taken to reduce the deficit must be evaluated to see if they really have that effect. I know that many of these policies have been tried in other countries and they're not working very well. If workers are laid off and they're unable in a reasonable time to get another job, the tax base is reduced, dependency on welfare is increased and the policy is proven to be a mistake.

Statistics gathered, then, when you're evaluating Bill 26 must focus on the poorest people in society and the children, not on the average or not on how well the well-to-do are doing.

(4) There should be a time frame for Bill 26. In other words, I think everyone is willing to undergo some financial pain, but we have to know how much progress we're making and we have to have the promise that the deficit will go down and that the pain will some day end and that Bill 26 will some day be changed. This will give everyone an incentive to reduce the deficit as quickly as possible.

(5) User fees for facilities which assist the poor should not be imposed. Libraries, parks and recreation centres should be low or no cost. Perhaps companies could sponsor skating rinks. Skating is one of the few free activities for children in this city and one that I can still do with my grandchildren.

(6) A major cause of the debt has been the high interest rates on government borrowing. There are alternatives. Banks must be more accountable to the best interests of Canada, and legislation must be brought in to supply low interest rates for provincial government borrowing as well as for small businesses. There is a group called the Committee on Monetary and Economic Reform which is looking at changes that could be made to the Bank Act and to the way in which banks operate in this country. I'm not personally qualified to go into all of that.

(7) The frequent phrase that I noticed in the omnibus bill is "where the minister considers it in the public interest to do so." I suggest this needs to be spelled out. How is the public interest to be measured? Who will the minister consult? I did not attach the submission from the Toronto Conference of the United Church of Canada—I sort of ran out of money when I was duplicating—but I did attach the summary of the moderator's letter to all the churches, which was read last Sunday in United churches. It was in the Toronto Star today, and I have included that in my presentation.

(8) The ending of pay equity is an affront to women, especially in view of the fact that many recommendations will make life more difficult for women in this province.

(9) Health care should not be altered; it is one of the most efficient in the world. I've just had a grandchild and the mother only spent one day in hospital, got excellent care, was happy to come home after one day. There are many ways in which our hospitals have changed over the years to become more efficient. We don't want to make changes in privatizing health care which are going to damage the children of Ontario.

(10) Amendments to acts should be examined for their effects on the environment. This is a concern of most people, especially our young people. Companies must be accountable for their activities and cleanup should not be at the taxpayer's expense. In addition, environmental activities such as insulating of homes provides jobs while reducing homeowners' costs of energy. I'm pleased that Premier Harris says that the big lack in his first year in power has been the lack of job creation.

(11) A source of revenue would be to end the grants and tax breaks to military companies. Military production is a poor supplier of jobs in relation to the capital invested, as well as being a source of continued militarization of our world.

(12) Last, the bill must not undermine the legal system by putting the government above the law. Some of these changes will be retroactive and an affront to the whole legal system which we have enjoyed in this province. There is a small article attached on that.

My 13th recommendation would be to have a merry Christmas and a happy Hanukkah.

The Chair: Thank you very much. I understand Mr Paul, who is with you, would like to also speak.

Mr Derek Paul: I would prefer to defer until all the questions that the committee has of Mrs Farlinger have been dealt with.

The Chair: Normally we take submissions and divide the remaining time up.

Mr Paul: Well, it's as you like. Then I'll be very brief.

The most important part of my presentation is the introduction, which, however, I'm not going to read because it doesn't bear directly on Bill 26. But it does say that there is a strategy for improving the fiscal health of the province of Ontario in addition to, not instead of, the things the present government is already doing. I claim that the three things I've written down as the three elements of that strategy are essential. I don't think that we can get out of the debt situation without those things, and the first of them is one which I know Mr Paul Martin is opposed to.

Let me get down to the question of Bill 26. I would much rather discuss the introduction than that, but let's discuss it anyway. It seems to have positive aspects that would lead to some increased efficiency in government, but it attempts in places to do so at the expense of the democratic process. I won't use the term "dictatorship," but I think autocracy is what is called for in various parts of the bill.

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As a preliminary, I'm going to discuss only schedule F, which is health services restructuring. My personal impressions of health care are that what is needed is more emphasis on disease prevention and a reduction of reliance on medical drugs. I also suspect that hospitals have had unnecessarily, and increasingly unnecessarily, high expenses in the administration. It seems to me that one of the alternatives to melding hospitals, putting two hospitals under one administration, would be simply to limit the percentage of a hospital budget that can be spent on administration.

Now I want to direct my next remark, which is near the bottom of my second page, to the thing that I found the least attractive in schedule F. On page 50 of the act, section 9 is quite unsatisfactory in the power it gives to the Lieutenant Governor, and presumably this is ministerial power through the Lieutenant Governor, to set up a hospital supervisor, in direct conflict with the board of the hospital and with its chief administrator. Those words "direct conflict" don't of course appear in the act, but the conflict is built in because the powers of the hospital supervisor are defined to be the same as the board's, and I submit that this is a recipe for an absolutely untenable situation. Either the board members will resign or there will be constant hubbub and protest.

Subsections 9(1) and 9(3), combined with 9(8) and 9(9), make it clear that the minister could directly run a hospital through the hospital supervisor. Thus, in principle, the minister could run every hospital in Ontario through a company of supervisors of his own choosing, whose sole role would be to carry out his wishes. I do not want to be a patient in an Ontario hospital when that happens. The proposal, however, might have the dubious merit that it would drive the sick out of Ontario into other provinces, but I don't think this is the intention of the bill.

There is great danger opened up by that kind of simplicity of the envisaged chain of command. If the minister is truly familiar with hospital administration, it could lead to a uniform model of hospital services, not necessarily the best, throughout Ontario, simply reflecting the minister's own personal biases. If, however, the minister knows little of hospital administration, it could lead to drastically poor service.

In general, the danger of running a hospital—and I used the wrong word; "autocratically" is the word that should be there at the top of page 3—autocratically through a supervisor will have the disadvantage of impeding the board from innovating and exploring creative new avenues in health care. The absence of the use of such words as "creativity" in schedule F reveals, better than anything else that I can mention, the deficiency of thought in the proposed restructuring of health services.

In the interest of time, I'll stop there.

The Chair: Thank you very much. For the record, you're Derek Paul. I'll read that into the record for the benefit of Hansard and the committee. We have about two minutes a side for questions, and we'll start with the government side.

Mr Young: To Mr Paul, I just want to comment. I appreciate your comment that the positive aspect of the bill is that it may lead to increased efficiency, which is exactly what the bill is designed to do. But with regard to the minister appointing an administrator in a hospital, that's not to make the board quit. That was put into the bill in case the board quits.

The Metropolitan Toronto District Health Council has recommended closing some hospitals and current boards of governors don't have that in their mandate, so it's going to be difficult for them to say, "Okay, we'll close down." So if a board does quit, this is for that situation. That's what it was designed for.

Mr Paul: This is not clear from the wording of the bill. It's very unclear.

Mr Young: Okay. Your point's well taken. Thanks.

I'd like to ask Mrs Farlinger with regard to the deficit again. We're struggling with great difficulty with this. We're making a lot of tough decisions. Frankly, it's tough to be on the government side, but we're doing it for our children and our children's children. We're doing what we have to do. You said here that "We ought to redesign our economy and the government to meet our needs...." That's exactly what Bill 26 is designed to do. I just wonder if you'd care to comment on that.

Ms Farlinger: I think we have to be very careful that we don't continue to have children living below the poverty line and expect that they will then be in a position to take your place in the government. They have to be healthy, they have to be educated. We have to do more than one thing at a time. I just want you to safeguard the wellbeing of children.

Mr Phillips: Thank you both for being here. I appreciate the article you provided us, "Harris won't put

brakes on cuts," and the 30% tax cut is still on, because that's what the bill is all about. The government is determined to implement its 30% tax cut.

Ms Farlinger: I really 100% oppose the idea of a tax cut when you're trying to reduce the deficit.

Mr Phillips: I appreciate that comment. What they're doing is they've got to cut, cut, cut; cut $8 billion and $5 billion of it will go to the tax cut. It will be $14 million a day for the tax cut.

Ms Farlinger: They say the tax cut will create jobs, but they don't really say how that will happen.

Mr Phillips: That's true. As a matter of fact, this is amazing, but the number of people out of work in the province actually goes up next year and then goes up the following year. Two and a half years into their mandate there are more people out of work in this province than when they came into office. It is bizarre to me, but they think this is common sense, I gather.

My question to you, and you perhaps have answered it, is, do you and your organization feel the 30% tax cut is not appropriate, or how would you describe it?

Ms Farlinger: What I'm saying is, if this is really such a recipe for success, we ought to at least have some kind of evaluation of it. I think it's a recipe for disaster, but there has to be an evaluation. You can evaluate the same kind of policies that have been undertaken in other countries and you'll see. We don't actually have to go through this exercise. We don't have to experience it to understand that it's not going to work.

Mr Silipo: Thank you very much to both of you for the presentation. Again, I also found it interesting that you addressed head-on one of the comments that Premier Harris makes, which is that he believes that many of the opponents of the kind of changes that his government has made are really arguing that the pre-election status quo ought to prevail. I didn't hear you say that. I heard you say very clearly people are prepared to make changes, we're prepared to recognize that the deficit has to be addressed in a reasonable way, but that it's wrong to assume that money that we spend on social programs is the cause of that debt and that deficit.

Ms Farlinger: Yes.

Mr Silipo: If we are not careful about protecting and providing support to the poorest among our citizens, then we really are missing the boat in terms of dealing with the economic issue, let alone on the social level of what we need to do. I just found that point very clear throughout your presentation and the point that you're making that there needs to be more discussion on these points exactly to answer the question that the government has been posing, which is, what will we do to reduce the deficit? So I appreciate very much your comments. I don't really have a question but just wanted to make that observation.

Ms Farlinger: There are alternatives and we need to work on those.

The Chair: Thank you both very much for coming forward and presenting to our committee today.

Mr Young: On a point of order, Mr Chairman: Mr Phillips said "you and your organization." Mrs Farlinger, are you representing an organization or just speaking for yourself?

Ms Farlinger: I did not make a presentation representing an organization but I did explain that, as a journalist, I've had a lot of contact with the United Nations and with the agreements that Canada has signed at the United Nations. I do belong to many, many organizations. I could go through them all, but I'm not speaking for them.

Mr Phillips: On a point of order, Mr Chairman: The member the other night accused the churches of having a conflict of interest because they ran day care centres. I assume you don't run a day care centre or anything like that.

Ms Farlinger: Well, I have a number of grandchildren.

The Chair: Thank you for coming forward today.

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CITY OF YORK

The Chair: Can I have Mayor Nunziata please come forward. Welcome to our committee. You'll have half an hour to make your presentation today, and you may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you and the gentlemen who have joined you would read your names into the record for the benefit of Hansard and the committee members.

Ms Frances Nunziata: Frances Nunziata, mayor, city of York. I have with me Councillor Mike McDonald, councillor for ward 6 in the city of York; Ed Sajecki, our planning commissioner; and Brian Haley, our solicitor.

Good afternoon. I would like to thank the committee for the opportunity to appear before you this afternoon. As mayor of the city of York, I share the concerns of many who have previously appeared before this committee to address the issue of lack of consultation with respect to Bill 26, a bill which proposes significant changes and will drastically affect legislation.

To begin, I would like to point out that as mayor, I did not officially receive a copy of the bill. In fact, I received it from another Metro mayor. Given the manner in which this bill was presented, there has not been sufficient time for municipalities to fully analyse the impact.

Secondly, when my staff called to obtain information on the process, we were advised that we would be placed on a list and we would be contacted as to the process prior to appearing before the committee. I would like to point out that it was only through perseverance that we are here today. On Wednesday, my staff was advised that it was not known when or if we would be called. On Thursday morning, we were asked whether we would like to appear at 3 pm Thursday afternoon. Needless to say, we did not accept the offer.

An article in this morning's Toronto Star states that the legislative committee is having trouble finding people to testify even though more than 200 people were originally told they could not appear at the hearings because all the spots were booked. This scrambling at the last minute to find people to testify is a clear indication that this process was rushed and that the hearings should be extended to provide ample time for the public to put together a precise and well-documented deputation. While I understand the desire to move ahead on the passage of this bill,

would it not have been more democratic to hold these hearings after the holiday season when the interested parties did not feel pressured to respond?

With the number of proposed amendments, it is vital that a thorough analysis is undertaken to determine the extent of the impact to the municipalities and various organizations. It would appear that the actual impact of a number of amendments is dependent on the content of the regulations. A law can be changed by regulation, and to my knowledge these regulations have not yet been made public. Would it not make more sense to have a public hearing after the public has had an opportunity to review these regulations?

While we have concerns about the consultation process, I'm also deeply concerned that Bill 26 is not an equitable bill for all municipalities across Ontario. Increasing the ability for municipalities to impose user fees may be fine for municipalities with a high population; however, there are many smaller municipalities which do not have the resources to draw on for user fees. The implication of this on those least able to afford any increase could be devastating. This is yet another example of provincial downloading.

Throughout the five points of the Common Sense Revolution document, the importance of listening to the public was stressed. On page 19 the Premier himself states that there will be discussions with all Ontarians in reference to how they will achieve their 20% goal in cuts. Today we are discussing a bill of significance that affects all Ontarians, and yet all Ontarians have not had the opportunity to be heard or at the very least be fully informed on how to be heard.

While there's still the opportunity to send in a submission, and I'm sure many will take that opportunity, we are here today because we feel it's important that you hear these concerns in person and we sincerely hope you will take into consideration some of the points that are being made. A bill of such magnitude, with such far-reaching implications, should be given the appropriate time frame in which to analyse and respond and should be separated into sections for public hearings. Today we are appealing to this government to stand behind your commitment to a partnership with all Ontarians.

I'd like to ask Councillor Mike McDonald to make a few comments.

Mr Mike McDonald: Mr Chairman, members of the committee, just by way of a preface, I think the words of a learned sage perhaps are appropriate. I apologize for writing this long letter. I didn't have time to prepare a short one, so if I ramble a bit here and do not get to the point as quickly, perhaps that's one of the reasons.

I'm obviously going to wear my councillor's hat, but in the points that I'm making I have to admit I'm also wearing a lawyer's hat and a legal author hat as well, because although I'll be referring to substantive sections of the bill, I'll be referring to them primarily to highlight what I think are concerns with regard to legal and democratic rights that we enjoy in a democracy.

Within the time constraints I think it's only natural and advisable to deal with concepts, but I would like to indicate and undertake to the members of the committee that those concepts will be followed up before the public consultation process is concluded with draft amendments to the bill itself, because sometimes I think it's unfair to damn in generalities but not to be responsible and follow up with amendments which address those concerns. So the city of York will be drafting amendments to follow up and will be submitting those amendments in writing for the consideration of the members of the committee.

Just before I get into the bill itself, the mayor has indicated her concern with the public consultation process. I'm sure you've heard that record many, many times since the beginning of the proceedings.

Just as, I suppose, a curious footnote, a historical footnote, if you look in the Charter of Rights you won't find, I don't think, any specific thing that says the public has to have a genuine opportunity to engage in public debate with regard to any important legislative initiative. But in the funny-money case going back to the early 1930s with the Social Credit government, the Supreme Court of Canada, before any of this charter business, enunciated that principle very, very clearly, and so, by reference to the charter where it says nothing abrogates previous law and previous democratic principles, I think this government and this committee have to have a concern in terms of the genuine opportunity for public debate with regard to this important legislative initiative.

I was going to comment briefly on the usage of the omnibus bill, but in actual fact I think Robert Sheppard in the Globe and Mail, in an article dated December 18, very succinctly and very well, I would suggest, expresses his concerns and the public concerns generally with regard to omnibus bills. I won't repeat his comment but I certainly concur with it and I would refer the members of the committee to pick that out of their clippings. I think it's very well written and the substance of his remarks are well taken.

The first principle I'd like to talk about is with specific reference to the bill itself, and I'd entitle this the OMB syndrome. By that, I mean simply that various governments have kind of looked at the OMB and said, "Well, doesn't it really indicate a distrust in local governments? Yes, we trust you but we're going to put this other body in place," as many of us sitting around this table, including committee members, have experienced, that somebody will come to a local council and inevitably it gets appealed to the OMB.

The government, as I understand it, in their public announcements are saying: "We're empowering local governments. We're making local governments partners with us." I think, by and large, including AMO, that there's widespread public support for that initiative. But the actual bill doesn't demonstrate that. For example, in the swapping of services section, there's this whole business about swapping services between regional governments and area governments, but then in clauses 209.6(1)(a) to (h), the minister has a whole category, a whole litany of powers whereby he can roll back, he can regulate, he can do anything he wants. Naturally, local governments are not going to go through this heart-rending exercise of meeting after meeting and perhaps holding public meetings to boot and then have the minister say, "It's not a go" or "You can only do it this way."

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So I think there's a rhetoric there that is not matched in the bill itself, and I think members of the committee might be concerned about that. You say, "Somebody's got to break the logjam." Well, in a certain sense, maybe the logjam has to be left. If it's not a go, then maybe it shouldn't be a go. In any event, there's the ultimate logjam breaker, and that's an election. If the elected people, in that exercise of their initiative, haven't met the expectations of the public, the public can express itself in a democratic way by voting.

The next principle or concept that I'd like to talk about is the legislative concept and the broader picture. I'm sure we're all familiar with this in some sense, but the broad legislative principle is that acts are to be debated. Acts set out the broad direction, the policy direction, and regulations are to implement acts and they set out the specifics of how that act is to be carried out.

How does this bill match that kind of, I think, accepted democratic principle of the legislative process? I'd have to, with great respect, say rather badly, because the act is so broad, just referring to the user fees section, that in the paper at least, the minister himself doesn't seem to know what powers for user fees are actually being given in this legislation. So you have an act that is so broad that it's undebatable because nobody knows what it means.

Secondly, you have regulations that are so broad that they contradict the usual sense of regulations as being specific implementation of the broad intent of the bill. If you compare that to the Planning Act, where you say the broad concept is to have public meetings, and the regulations set out, as we all know, the radius and all that sort of stuff, this doesn't meet that standard. So I would suggest that's a source of concern as well.

Previous speakers have referred to—and quite frankly I'm on thin ice on this one, but it's there in terms of the Lieutenant Governor in Council. Maybe members of the committee know—I don't know specifically; maybe the legislative counsel knows. But I don't know: What actually does it mean? Because what you draw out of it is that the normal publishing in the Gazette of the regulations etc which allows the public to say, "Oh, that's what it is. I want to write the minister. I want to write my member," etc, where the minister can appeal to the Lieutenant Governor in Council seems to indicate to me, and I don't know, that this is a legislative shortcut by going directly to the executive, and that the public won't get the same sort of public notice and the same ability to make submissions.

In conclusion, there are obviously very positive aspects of this bill. The autonomy that apparently is being given—and I'm obviously referring only to schedule M—to municipalities is good, user fees are good if they go far enough to make any difference, facing billion-dollar cuts, and other parts of the bill are positive. But almost invariably it seems that the power is given but then it's regulated in an undefined way by the minister. So it's those democratic and legal rights that the city of York, I think, is very, very much concerned with.

In summary, in conclusion, if I may—this may be unpalatable, and members of the committee and especially government members of the committee may find it totally unpalatable—we've all been in this place before, and sometimes, with all the good intentions in the world, you stumble into what turns out to be a mistake. What I'm suggesting is that I don't think—and I think it would earn kudos, quite frankly—it's beyond the time where the government couldn't withdraw this bill and introduce separate bills.

If the government can't do that, then I think a further extension—Friday afternoon before Christmas is not an optimal time to make submissions. I think it would show tremendous goodwill on the part of this government to extend the public hearing times.

Lastly, if none of that's palatable as a further alternative, then as a very minimum the government could signal in advance that when the regulations are published, there will be a further public consultation process. Those are our submissions, Mr Chairman.

The Chair: Thank you very much. We have a little less than five minutes per caucus for questions. We'll start off with Mr Colle.

Mr Colle: I guess you wonder about how many other municipalities and stakeholders in this province had the same difficulty in terms of getting a copy of the bill and all the background documentation and then putting some kind of response together. You're fortunate enough to at least be here, but I certainly realized a lot have been short-circuited because of the mad rush to push this bill through. I guess in retrospect it would have been law by now anyway, so the fact there's been a bit of time to have stakeholders like yourselves come forward is certainly important.

The question I have is in terms of the user fee and how it affects the city of York. I know in the House the Premier said he was astonished that in Toronto—I don't think he realized it was in North York—but he said everything was free and that there should be user fees. I guess what he doesn't realize is that in the city of York user fees have been part of financing the city for a long time. Now you have it for parking on the street with the permit parking, you have front yard parking, you have paying for swimming, paying for skating. If you want a liquor licence, you have payment in lieu of parking, $5,000 a spot.

This bill is saying, "We're going to give the autonomy or the right to impose more user fees." Where else could you impose user fees when it seems that the city of York—certainly some of those fees have caused almost a revolution, like the front yard parking fee. Where else are you going to raise revenues with this new-found autonomy? Councillor McDonald?

Mr McDonald: Yes, I'll take a bite at that. We discussed this in terms of our own budget preparations and for the city of York at least there's not huge room. For example, the building commissioner suggested—and I've got a conflict on this, but I'll say it anyway. They'll say, "We'll just increase lawyer's fees for getting that zoned properly," da-da, da-da, da-da. There are no work orders. He said, "We'll just increase that from $45 to $80."

There's a wall that people bump up against and I think the lawyers, the law society, would scream bloody murder on that, and rightfully so, because it's starting to bump up against the area that's just too expensive. Then

they short-circuit and ultimately the public gets shortchanged, and not only shortchanged but a kind of dangerous situation because they run into a potential lawsuit.

Ms Nunziata: If I can comment on the user fees, Mr Colle, you're correct. For years the city of York has charged for swimming and public skating and we've always been criticized because most of our residents would go to North York or Toronto because it's free. Unfortunately, the revenue we're generating from the user fees is just minimal. It's not enough to offset the cost—

Mr Colle: What if you increased them?

Ms Nunziata: Then we wouldn't have any of the kids skating or swimming because it would be very difficult. Even with the front yard parking, we find residents are refusing to pay it because they just can't afford it. We're just double taxing, so it would be very difficult. People would not use the facilities. I don't know where else we could use user fees other than through our planning or building, but to increase user fees for children for swimming or skating is just impossible to do.

Mr Colle: If you impose more fees in your building department, they're going to use that as an excuse to build in North York or a neighbouring municipality.

Ms Nunziata: What they'll do is build without the permit. We'll get people doing everything illegally. If we start doing that, then I think what we'll have to do is reduce their property tax and charge a resident for the services we're actually providing, because the amount of taxes the residents are paying, we're not providing that level of service, and if we're going to be charging them user fees for every service we do provide for them, we have to compensate them by giving them a reduction in taxes.

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Mr Silipo: Thank you, Mayor Nunziata, and the rest of your delegation. I just wanted to pursue a couple of points, because I understood your points very clearly and they, quite frankly, have been ones we've been making on this side of the committee table, as well as many other presenters who have been before the committee, in terms of the process and the time necessary.

I think you've spelled out a couple of different options that are there for the government to follow, and hopefully they'll listen. If they're not going to listen to us, maybe they'll listen to you and to others who have been saying very much the same kind of thing in terms of either withdrawing the bill and reintroducing it in various parts or at least extending the hearings or, at the very minimum, as you said, making sure we have hearings on the regulations. I think even that is problematic in terms of how to deal with this, but at least it would give us something more than what we have now in terms of an ability to understand the implications of what is going on.

The point I wanted to pursue with you was this: We seem to have clarified that, in terms of restructuring municipalities, this bill doesn't affect that as far as Metropolitan Toronto is concerned, and we know that presumably there will be something coming as a result of the Golden task force. But there remain in this legislation some pieces that would affect, as we understand it, Metropolitan Toronto, which have to do with a possible shift in powers between the different tiers. I don't know if you had a chance to turn your mind to that issue and have any comments on that.

Mr McDonald: I think the swapping of powers could be a positive thing. For example, the most common one even now is where municipalities swap a road that's on a border. Likewise, there are a lot of Metro roads that the area municipalities could swap. I think that's a positive element of the bill.

The not-so-positive element is if the area and the regional municipality get together and—all these things take time, they invest the time, they work out an arrangement but then some member of the public gets to the minister and the minister says, "No, that's not a go." That's a very counterproductive thing.

What we're saying is, stick with the public pronouncements. If municipalities are going to be true partners, make them true partners. Give them the authority, give them the fiscal resources to run their municipalities in an autonomous and responsible way, and let them bear the consequences of their decisions. If you're going to have the minister involved, spell it out, and spell it out in a very prescribed sort of way that the minister can only intervene in very limited sorts of situations. That's my reaction.

The Chair: You still have a minute.

Mr Silipo: Sure. I'll just pursue one other point. Chair Tonks was here earlier this afternoon, and one of the points he made was his hope that whatever recommendations come out of the Golden task force and whatever pronouncements the government makes on what it's going to do about those recommendations, there be, at the very least, some opportunity for public discussion around those recommendations. I assume that would be the position the city of York would take as well.

Ms Nunziata: Yes.

Mr Hastings: I've got a question to either the mayor or your solicitor or to Councillor McDonald regarding the lack of imagination or—you haven't had a lot of time to think about the application of user fees vis-à-vis garbage collection.

From the Metro Toronto submission about an hour ago, it indicated to me that Mr Richards may be looking at non-shared corporations or business corporations where Metro may be looking at that specific area, although it wasn't clearly referenced. I'd like to know what your thinking is about the use of some kind of a user fee for garbage collection in your own municipality and how that would impact adversely or positively regarding the Metro Toronto council's position and the chairman's position on that.

Ms Nunziata: I can give you my opinion on user fees. We have discussed it in York, user fees for garbage. Unfortunately, the problem I have with it is that most residents would not be able to afford user fees for garbage. What will happen in the city of York, and I'm sure throughout Metro, is that we'll have people just dumping garbage in areas where there are no user fees, or if you're richer, you can afford your garbage. I really have a problem with user fees for garbage. I feel that is the responsibility of the municipality through its property tax and I don't feel residents should be charged.

Mr Hastings: Have you looked at the experience in other municipalities that are already doing it? I believe, if not Waterloo, the city of Peterborough is doing it now. If it is such a dreadful application, how come it would appear to be in some of these other municipalities where people are of all socioeconomic incomes and profiles and they seem to have managed it capably?

Ms Nunziata: What would we do if Mississauga had user fees and the city of York did not? We would have people from Mississauga coming to York and dumping their garbage.

Mr Hastings: Not necessarily. I think it depends on how you implement. You think through how you would do such a proposal, and look at what the experience has been in other municipalities before negatively concluding about it. That's all I wanted to know.

The Chair: Thank you very much for coming forward and presenting today. I appreciate it.

TORONTO CHRISTIAN RESOURCE CENTRE

The Chair: Could I please have representatives from the Toronto Christian Resource Centre come forward. Good afternoon and welcome to the standing committee on general government. You'll have 30 minutes today to do your presentation. You can use that time as you see fit. You may wish to leave some time at the end of your presentation to entertain response and questions from the three caucuses. I would appreciate it if you'd both read your names and your organization into the record for the benefit of the committee members and Hansard.

Ms Julie Haubrich: My name is Julie Haubrich and I work at the Toronto Christian Resource Centre as a community worker. The Toronto Christian Resource Centre is located in the Cabbagetown area and is nestled, actually, right in Regent Park.

Ms Betty Hubbard: I'm Betty Hubbard. I'm a resident of Regent Park, a community volunteer worker and a community activist and also a welfare recipient.

Ms Haubrich: We're here today basically to speak from the heart. I'll sort of apologize beforehand: I'm not well versed on all the details in this bill, but I think it's important for you to hear what some people that I've been talking with feel about this bill and some of the implications that they feel are coming down because of it, from what they've heard. We probably won't be as technical as some of the presentations have been to date, but I'm hoping you'll still hear—and there will be a further written presentation from the Christian Resource Centre that I think will spend more time in the technical details.

The first comment I want to talk about is basically the process and the size and the magnitude of this bill. I find it quite appalling and also sort of insulting as a citizen that we're expected to digest this bill and come to do public hearings with just a day's notice. I'm thankful that we actually have the opportunity to do this week here in Toronto public hearings, but it's really not adequate time.

My experience in this sort of forum is new. I was involved with the Bill 120 process. I think one of my main learnings from that is that changing laws is really hard work, but what's essential in the process is dialogue. I thank you for this week, but I don't think a week is enough to address 44 acts that are being changed, the creating of three new acts and the deletion of two. The magnitude boggles my mind, and I actually find it insulting that the people of Ontario expected this.

In essence, for me, good governance is not a result of sort of ramming through but a result of dialogues that have checks and balances. With the Bill 120 process, which was around landlord and tenant issues, our organization wasn't perfectly happy but we felt there was some truth that was found in the end result.

1530

What I would recommend in this process is that you break up the bill and allow due process. To me, due process is allowing time, appropriate time, for the public to process its information and have time to respond. I personally have not had adequate time to prepare. The community that I represent with low-income people don't have time; they don't even have money to afford a newspaper to find out what's going on. They're busy lining up in banks, 10 miles long this day because the cheques are out and they're trying to find ways that they can enjoy the holidays that are coming up. A number of them are finding out where the free meals are. I'm spending my time directing people so that they can at least have some joy this Christmas, at best. I'm not sure it's going to be a happy holiday at all.

But my sense around adequate due process is that there needs to be adequate time to understand the material. I've got the document itself; it's $18.50. People in our community don't have $18.50 to read it. Different agencies are picking it up, but to combine the other material, I was told today it's about $325 to get all the acts so that you can actually understand what's in here. My organization doesn't have $325 to spend so we can actually come here and be adequately informed. Not that all the parts would affect our organization, but at least we'd be able to afford some of them if the bill was broken apart.

Another part of due process to me, from my point of view, is actually I need to dissect this work and share it with the people I work with, share it with people who are literate because they have an understanding of what's going on. They need to know. Then I need to work with them around finding a common response and come and share. I see my role as being able to either encourage them to come here and share what their feelings are and their views are or find groups of us who would come here. We haven't had time to respond to this kind of fast-paced thrusting of change.

Maybe it's unfortunate in the timing, that the bill's here in Toronto, that we're picked one week before Christmas. It's a time that people are preparing to take a break from the workplace, not to gear up and come here. It's almost as if there's an attempt to hide what's in this bill by putting it through with the glaring lights of Christmas. I'd recommend, again, that you divide the bill and add more weeks of public hearings. I would even push it to February.

Around the public hearings, I know you're accepting written submissions, and I think that's great, but I think there's something missing with only just reading the written word. I think you need to hear people face to face around how this bill impacts them.

I was talking to a woman this morning. She's actually a woman who lives on $275 a month. She voted for the Tory party, but she's appalled about this bill. I wish she were sitting here, because she says it so much better than I do. She said she voted for this government, but her understanding of a Conservative government isn't that you give the government more power, and that's what she and I see Bill 26 doing, giving more powers to the municipalities to charge and tax people. That's not how she understands what a Conservative government's about.

She also wanted me to share her words that she's really scared of this bill. She lived a number of years, her middle years, in the States and experienced at first hand the mass poverty that existed there. She's scared that this bill will build another two-tier system where we have masses of poor people who have no access to the services that we take for granted now. I have those same fears that this kind of bill is pushing us right to that.

There are a number of points. The stuff around the freedom of information: My sense there is that by putting on user fees you're denying access to low-income people to find out information, and I think that's wrong. It's public information; it should be accessible. Putting user fees when people have no money to exist I think is fundamentally flawed.

We've had a few city councillors and mayors speak what I've heard this afternoon, and they're actually sort of okay with the flexibility they're being given to impose taxes and user fees. Again, I'm not in favour of that; I find that quite scary. It's a downloading of the problem that the federal government is giving the province less money. I think there needs to be some accountability along the way.

As a person who grew up in Saskatchewan and moved to Ontario, I think there's some value in some standards that exist and not that one neighbourhood will be dumping garbage and people have to pay for it, and in another it's free. I think there need to be some cross-standards and I think provinces can hold on to that authority. It might cost money, but I think there's some value in that. I'll pass it on to Betty.

Ms Hubbard: I live in the community of Regent Park, which is in the inner city. I'm also a welfare recipient. To tell you a bit about my community, there are 10,000 to 12,000 people living in my community, most of them being children and youth.

What I want to talk about is, we've had money taken off our cheques which go to help feed out children. Next we might be losing our housing. Now you want to give more power to the municipalities so that, if they have to, they can impose user fees on us.

In our community, we don't have very many things, but the things that we do have are free. You're now going to be talking about taking away the luxuries that our children have, my child has. Some of these things are libraries.

Our parents have two to three children; some, four or five. They can't afford to go out and buy books like probably some of you people can. So the kids have to use the libraries to research for projects that they have to do for their classrooms. Also, they have to use the libraries probably to use a computer; even my own child, who has won a scholarship to the U of T. I cannot afford a computer for her, so she has to go to the library to use this computer, or to the recreation centre, which has a community computer. But putting on user fees means that she won't be able to go and none of the other children will be able to go.

Our ice rinks: We have two ice rinks in the community of Regent Park. Today, probably after school, they will be filled, because these kids cannot afford to use the transportation to go down to city hall or to Ryerson, which is free as of right now. Their parents can't afford to put them into any kind of hockey teams because they can't afford the equipment. So this is all they have, these two ice rinks. If you put user fees on them, they're not going to be able to go.

Our swimming pool: We have one swimming pool and about four wading pools, which are free right now. Most of our kids in Regent Park, I'd say about 60% or 65%—we did a survey on this—never leave the community until they get to high school age. They never get out of the city. They never get to go to Canada's Wonderland. They never get to go to this water park or to the island or to Ontario Place, because they cannot afford the transportation. So all they have there is the swimming pool. Those swimming pools are filled from the time they open until the time they close at night, and the same with the wading pools. Putting a user fee on them would mean that these kids would not be able to go.

Our community centre: All programs are free and are both recreational and educational. We have a high-risk-youth worker there who works with the youth. For the last, I'd say, five or six months, he's been working with about 16 of them; 11 of them have gone back to school or gone to work. Put user fees on there and they will not be able to go.

To put user fees on anything in our community would be more devastation to our community. Just to show this, at Christmastime the community centre puts on a Christmas dinner every year for our community. Up to this year, we had maybe 100 to 200 people. If they had to pay to go into this community centre for this Christmas dinner, they would go hungry. This year, we had between 800 to 1,000 people lined up to get dinner because of the cuts.

1540

All I'm saying is that to put any kind of user fees on anything in this city—Riverdale farm; our kids never see a farm animal unless they can go there. They can't join the programs there that would teach them about farm animals. I can't see how you can give more power to the municipalities to impose user fees. I'm asking for people all over the city, not just my community but other low-income communities, working families, everybody, just to have free things to go to. That's all I have to say.

The Chair: Thank you both. We have a little bit more than five minutes for questions for each caucus. We'll start with Mr Silipo.

Mr Silipo: Thank you very much for your presentation. I think that like a few others who have been before us today and throughout the week, you've focused in very much on what all this means for people, rather than just the technicalities of powers and shifts as well as the

process that you've discussed. We've heard those comments also from many people in terms of the usefulness of allowing more time for these discussions to take place so that all of us, and certainly the government members, can better understand the implications of what they're doing.

One of the other things that I would just point out—I'm not sure I really have a question for you, but I just want to make a point and welcome any observations that you have to make on it—is that what we really are seeing through the actions of this government is a clear shift in power and resources from the average Ontarian, indeed from the poorest of Ontarians, to the most well-off.

You talked about the cuts in welfare, which obviously affect you and many others in your community. It's not an accident that the largest part of the reason why this government is cutting the way it is cutting is in order to fund the 30% tax cut that it wants to bring about on the provincial income tax level at the same time that it is cutting funding to municipalities and all other levels of government and all other agencies, and affecting services, reducing services, allowing for the increase in user fees.

Most of the people in your community, I would suspect, aren't going to get anything from the tax cut, and if they're going to get anything it's going to be a very minimal amount, yet as you pointed out, what may likely happen is that you can end up paying more through a variety of user fees that may be applied while those who are in the higher-income brackets may be walking away with a tax cut.

One of the interesting things that we've heard, from at least some people who have appeared here before and certainly I've heard in my own community and throughout the province, is from people who would be benefiting from some of those tax cuts saying, "If I'm going to benefit at the expense of other people who are poorer than I am, then I don't want that tax cut, thank you very much." I thought I would just at least note that for you, that that is there and that's something we're trying to make the government understand as well.

Ms Haubrich: I have a comment around that. Watching the people who are struggling with a lot less these last couple of months because of the welfare cuts, it's made me more aware of the basic reality of the presumption that's there that when I get my tax break—and as a working person, I'm assuming I might get this 30%—why is there the assumption that my spending of that 30% will make the economy boom better than Betty spending it feeding her kids? She doesn't go to the States to shop; she goes up the street in the Cabbagetown area and buys her groceries. My understanding in the Cabbagetown community is that the stores are hurting, the revenues and the intake in that whole neighbourhood. Both the merchants and I think also even the landlords in that neighbourhood are hurting. I challenge the government to consider, why is the way Betty spends the money not better than the way I, who live across the river in Riverdale, would spend the money? Which would be better for the economy?

Mr Young: With regard to your comments on the freedom of information, I don't know if you know what we're trying to address is frivolous requests. Just to give you an example—it's an extreme case, but it's one that points it out very well—a 27-year-old man made 770 requests to different Ontario police forces for information, requesting information like how much officers eat and drink while on duty and reported sightings of UFOs and how often police washrooms are cleaned, that sort of stuff. The estimated cost is $75,000 to those organizations, and by the way, all he's paid so far is $17 when ordered by a judge. When he was asked why he wanted all that information, he said he likes to see who he can embarrass. We have to address situations like that to help these agencies.

One of the mayors who was here from one of the municipalities said they have to take people actually off the job, what they're doing, to spend the whole day searching for information for something that may be like this. They also said that if there was a $5 charge attached, if that ends up being the charge, they would probably use good judgement and not charge it when someone was financially in a position they couldn't pay it. I'd just like your comments on that.

Ms Haubrich: A response would be, that it is outrageous, the behaviour of that particular individual, but another solution might be that you could only put in five requests a year, or even one request a year, so a person would really have to know how well they're going to use that. If it's a really serious issue, that access of information won't be stopped because they could talk to someone like me and I'd go get it. But I wouldn't be asking for the kind of information that this person was, so a simpler solution would be to limit the access for one individual.

I have no idea how often people use it, so I wouldn't know what a reasonable thing is, but maybe people in that field would. But charging it blocks low-income people from even thinking that they could. They have trouble even getting the phone, to phone to find out how much the charge is. If they've heard there's a charge, it's like: "I'm sorry, I'm gone, it's not an issue. I'm not going to fight for my rights, because it's not going to get me anywhere anyway." It just sort of feeds on that attitude. Whereas if they know it's free and I can encourage people to take that step, they're much more willing to say, "What do I have to lose?" Five bucks is a meal. It's a meal in a restaurant, it's the food for probably two, three days.

Mr Young: All I'm saying is that some said that they would waive it, that they would show good judgement.

Ms Haubrich: Yes, but who wants to rely on charity all their life? I work in a church but I don't believe in charity. I believe that we have a bountiful country, that we should be able to share the wealth that we have.

Mr Rob Sampson (Mississauga West): One of the concerns that could be raised, and I would expect one of the deputants that we had either yesterday or a day ago would have with the one or two requests a year, is that he had probably made about six or seven requests in the year and had uncovered some rather interesting information about how a certain school board was using some money, and that was valuable information. In fact it did expose a situation that was not perhaps the best use of public funds. You say one or two requests, but it might not work the way we're hoping to use freedom of

information, which is to help people understand a little bit more how their money is spent.

You mentioned in your presentation that you might have a chance to get a written submission to us. Is that correct?

Ms Haubrich: Yes.

Mr Sampson: You realize that we have until the last week of the roadshow, so to speak, to do that. That's three or four weeks from now.

The Chair: Until January 22.

Mr Sampson: You did say that you'd not comment on all of the parts of the act, and I suspect that's probably the case. Would you be commenting on, for instance, the mining amendments? Is that something that would be relevant to your group?

Ms Haubrich: I won't be actually working on the submission, but personally I'm concerned around the mining. My understanding of how it reads is that it allows mines to lessen some of the pollution controls, and as a citizen who's concerned about the air I breathe, I would be concerned. As to the technicalities, I hope people in the mining industry and people who are involved in environmental issues would be addressing this strongly and loudly.

Mr Sampson: I just wanted to make sure that you're aware of the deadline.

Ms Haubrich: Yes, January 22. I wanted to respond to your—

The Chair: Pardon me, I'm sorry. We should move on to Mr Colle.

Ms Haubrich: I'll throw it in later.

Mr Colle: The thing is, there's a double standard here. I don't know if you're aware of it, but this government is giving the bureaucrats in the Ministry of Health and the minister extended powers to access personal and confidential medical records. In other words, they're going to get more power to go into your information, but then if you want information from a municipality to try and find out what the councillors are spending on trips and that, they're going to charge you a fee not only to make the application but also on how much time they spend. They're also going to make it more difficult for you to find out what your government is doing provincially, because there will be a fee there and you'll be paying for the research.

1550

Sure, there are abuses, but what they're going to do in order to take care of a few abuses that occur across this province that are probably less than 5% of all the applications for freedom is that they're going to come down and say, "We're going to make it very difficult for you, because we're going to charge you a fee and then we're going to give the power to the bureaucrats to deny whether you get that information or not."

My question is more in terms of the user fee and the impacts. As you know, right now in Regent Park with the decline in incomes, which has been quite dramatic, 20% or more, you've got continual unemployment, you've got more layoffs, you look at what's happening in the retail sector, in the small shops I'm sure on Parliament and on Gerrard, they're laying people off because things like shoe sales—people stop buying shoes because they don't have the money.

If the government's now going to allow municipalities to come around and charge for skating, for swimming, to go to the Riverdale petting zoo, and user fees charged by the schools perhaps, libraries, where will people go who at this point don't have the money to take a streetcar to go to the island, where are they going to get the money to go skating, swimming or maybe pay for that computer, as you said, your daughter would have to pay for to go to the library to use?

Ms Hubbard: That's a good question. This is what I'm afraid of with all the user fees. We do have problems down in Regent Park with drug dealing and whatever. Most of it comes from the outside, and what I'm afraid of is all these kids are going to have no places to go, they're going to be out on the street and they're going to fall to these drug dealers. They're going to go into the elements of crime.

What they're doing now, they're off the streets, they're doing something useful. I'm afraid to think of what's going to happen, I really am, because they try and pull in our kids to do drug dealing and to do break-and-enters and to do everything else, and I'm really scared. I don't know what they'll do. I have no idea what they'll do.

There's such a misconception about people who live in Regent Park or any low-income people or any welfare recipients. The misconception is that we don't want to work. We want to work, but there are no jobs out there, and workfare is not work, not to us. We want to work with dignity. Even if it's a minimum-wage job, it's a job.

Mr Phillips: I appreciate your comments. One of the things that amazes me most about the government's fiscal statement is the fact that they're predicting the number of unemployed will go up next year and then go up again the following year. So with the great Common Sense Revolution that's supposed to mean less unemployment, they themselves, the government, are predicting unemployment's going to rise.

My question really is this: This is one of the few opportunities we've had to talk to someone who knows at first hand about the implications of a 21% cut in social assistance, because in your community I suspect that you know quite a few people who may have been impacted by it. Can you give us any indication what that means to you and any of your neighbours who may be affected by it?

Ms Hubbard: After my rent is paid, I have $471 a month to live on. My daughter goes to high school. I'm lucky, she gets a bursary for now, unless that is cut too. So she has car fare to go to school.

My cable is gone. Okay, fine, I had cable. A lot of people think that's a luxury, but I don't go out anywhere at night so that to me was entertainment for me so I don't have to sit there and be more depressed than what I am already.

My phone will probably be the next thing that goes. I'm a community volunteer. I sit on the board of directors of the Regent Park health centre. I'm on another board. I'm on all kinds of committees, and I work hard in my community helping the members of my community. My phone will be gone so I'll definitely be cut off.

I don't get paid for the work I do but I love doing it. I really love doing it. I love helping my community. But I sit home at night because I know kids are going hungry. I know they're going hungry, and it just shows in that dinner at the community centre for Christmas, where 800 to 1,000 people were lined up at the door to get in. Thank God the food was donated or we wouldn't have been able to feed them all. But this is just a sign of times to come.

I don't see how the poor people, women and minorities, how did we create all this deficit? I don't see how we did it ourselves. We want to work. They say we should go out and look for work. How in the heck can we afford transportation money, streetcar fare, to go out and look for work? The transportation costs have gone up. I can't even afford to go out and work. I have to clothe my child and everything else.

The Chair: Thank you, ladies. Unfortunately, we've come to the end of your half-hour. I appreciate your coming forward today to make your presentation.

COMMUNIST PARTY OF ONTARIO

The Chair: Do we have a member from the Communist Party of Ontario here? Good afternoon, sir, and welcome to the standing committee on general government. You have one half-hour to make your presentation. You may use that time as you see fit. You may, as other presenters have chosen to do, leave 10 or 15 minutes at the end of your presentation to entertain response and questions. I'd appreciate it if you'd read your name and your organization into the record for the benefit of Hansard and the committee members.

Mr Wilfred Szczesny: My name is Wilfred Szczesny. I'm representing the Communist Party of Ontario. The Communist Party of Ontario joins its voice to those of others who have appeared before you and those who hope to make a presentation but are unable to do so, in protesting the conditions imposed on these hearings.

The government of Ontario intended, when it was introducing Bill 26, to use the power of its parliamentary majority to pass this legislation without public hearings and with a minimum of discussion in provincial Parliament. Its efforts to do so brought it into such contempt and the provincial Parliament into such disgrace that the government felt compelled to allow public hearings.

However, the government has imposed time constraints on these hearings which allow only the largest institutions, those with the greatest resources, to prepare adequately their presentations. Consequently, this committee faces the preposterous situation that groups which want to comment on Bill 26 and finally are given an opportunity to do so have to relinquish this chance because the government has made it impossible for them to prepare a presentation. These conditions are an insult not only to the people of the province but to this committee inasmuch as it prevents the committee from fully doing its job.

The high-handedness of the government in its management of this bill is of concern not only with respect to the passage of this act itself but also, and even more importantly, because of its implications for government action into the future. In section after section, the government and its ministers are given power to act unilaterally and arbitrarily, with no avenues of appeal by persons or institutions affected by those actions.

The government would have us believe, have us accept on faith, that it will act reasonably and with adequate consultation. However, our experience in the case of Bill 26, as well as in the case of other measures taken by this government, can lead us to conclude only that the government will use its arbitrary powers arbitrarily, will impose the tyranny of its parliamentary majority over the parliamentary minority to the extent that it can and will impose the tyranny of the minority whose interests it represents on the majority of the people of this province.

Bill 26 is an act to permit the government to implement measures announced in its budget of November 29 and to restructure certain aspects of the economic and political life of this province, to change society in the province to the government's view of the ideal. Consideration of Bill 26 must include consideration of the effects of the budgetary measures which are being enabled as well as the consideration of the political changes being made. In this presentation, we would like to focus on the attack on labour rights and economic rights of the people of this province and on the economic effects of this bill and the budget.

Bill 26 goes a long way towards abolishing democratic rights in this province. In some instances, such as restructuring municipalities, altering the structure of the health care delivery system, allocation of road and transit grants and others, public processes or established formulas are being replaced by the discretion of the minister—government by fiat. In other cases, municipalities are being given the power, subject to ministerial approval, to make sweeping changes within their jurisdictions without the public processes which are now required. In the greatest number of cases, powers to rule on behalf of the government are being given to administrative officials. In almost all cases, the decisions are final, except that the government or one of its ministers may arbitrarily overturn them "in the public interest," a public interest determined, of course, by that same government or minister.

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In some instances, the attacks on democracy represented by the power to make arbitrary decisions is compounded by the imposition of new or increased user fees. A case in point is the proposed amendment to the freedom of information act. It is conceivable under these provisions that the Toronto Sun and the Globe and Mail would be able to access whatever information they wanted without paying any fees at all, while the Toronto Star would find itself paying full fees for whatever information it got and paying high appeal costs when its requests for information are turned down as vexatious. For a publication like the People's Voice, the publication of the Communist Party, the proposed changes in this area probably mean no access at all under this act.

The attack on labour rights in this bill is not surprising in the light of measures the government has already enacted. Having given the private sector the right to attack working people and their trade unions with strikebreakers, and having made trade union organization

much more difficult in this province, and having at the same time increased the need for an effective voice for working people by undermining health and safety and other controls in the workplace, the government is taking upon itself the right to rip up negotiated agreements and is proposing to replace collective bargaining in the public sector by employer-condition decisions by arbitrators acting on behalf of the government.

In effect, these arbitrators will have the power to determine the level of services which will be provided by public sector employers, and in case the arbitrators should be too generous in their awards, the province, the government, retains the right to change the decisions.

This attack on the labour and democratic rights of the people of Ontario is part and parcel of the attack on living standards and economic conditions we face. The present government was elected to reduce the annual deficit and to cut taxes. That is what it told the people of Ontario it would do and that is what is expected of it. The government has interpreted this as a mandate to reform the system of taxation in this province without public discussion and to redistribute the wealth of this province. The essence of the tax reform is to shift the main taxation from the graduated income tax, which takes into account ability to pay, to forms of taxation such as user fees, which tax lower incomes at higher rates and higher incomes at lower rates.

For example, the $4 increase effective at the beginning of 1996 in the price of the weekly greater Toronto area transit pass takes 2% out of the income of someone with a $200 weekly income but only 0.5% from an $800 weekly income. Someone with an annual income of $100,000 of course will probably not be affected at all, preferring to travel by car rather than public transit. User fees are in fact a steeply graduated form of taxation, the rate rising as income falls, in total opposition to any concept of fairness except that of the government of Ontario and other neo-conservatives around the world.

Such neo-conservatives are to be found even in institutions which will be damaged by the changes being made by the provincial government. High-profile Tories, like the mayors of Mississauga and North York and others, profess to be pleased with cuts in allocations to municipalities and other institutions because these are supposedly being accompanied by increased municipal powers.

They are rather in the position of the convicted felon being told: "Though this jurisdiction has no death penalty, you are sentenced to be hanged. As compensation, you'll be allowed to design the scaffold on which you will be hanged. On the other hand, if you should manage to design a scaffold on which your death will be prevented, that design will be disallowed."

Or can it be that these mayors and others like them are well aware that someone else will do the hanging? Who actually is designing this scaffold for the province of Ontario? Businesses, particularly medium-sized and large businesses, businesses which benefit from an impoverished workforce which will work for whatever is offered, businesses which want control on their operations removed so that they can pollute the environment or adulterate food with carcinogenic agents or do with impunity whatever else they want to do, businesses which will benefit by privatization of public services, businesses which have sold many people the trickle-down theory.

The trickle-down theory, although the government has not called it that in its documents, is the idea imported from the United States that takes from the poor and gives to the rich, thereby stimulating the economy and increasing everyone's welfare. It hasn't worked anywhere and it is nothing more than an illogical excuse by the haves to rob the have-nots.

Why would anybody think that giving to the rich, who will use the money to bid up the price of securities in existing capital stock, would be a greater stimulus to the economy than giving it to the poor, who will rush out with the money to buy the products of farms and factories and create a demand for more products produced by more workers in more jobs?

The government's plans for this province will mean more hardship for the people, not less, and it will only resolve the deficit problem at the provincial level by shifting the burden to the municipalities. Is there an alternative solution to the economic crisis of this province and the chronic deficit? There is such a solution, and variations of it have been proposed by a variety of organizations for some time now.

One element of such a solution is job creation, not through the cockamamy economics of the trickle-down theory but by putting money into the hands of people who will use it to buy goods and services. One aspect of this is direct government investment in jobs through a public works program, which will have the added benefit of creating useful infrastructure by restoration of public services to earlier levels.

Another aspect is the elimination of newly implemented user fees and the rollback of such user fees as transit fares to levels which obtained before governments began their cutting programs. The government should also build, not destroy, child care and early childhood education programs to enable women and particularly single mothers to participate more easily in the workforce. Not compulsion, but opportunity, is the solution to swollen welfare rolls and budgets.

Another element of such a solution is the immediate restructuring of taxation levels so that businesses and higher-income Canadians pay at least the same share of the tax burden as they did 10 or 15 years ago. Governments created the deficit crisis in several ways, but one of those ways was by giving generous tax breaks to the wealthy. This reduced government income but did not stimulate the economy to compensate, which is what it was supposed to do by the trickle-down theory. The government should also move towards implementation of the proposals of the most recent commission on taxation.

The third element of the restoration of a healthy economy to Ontario would be to restore, maintain and enhance programs extending workplace democracy, encouraging unionization of industry, and establishing the highest standards of health and safety on the job and protection for the environment as well. This should go together with strong compensation programs and other provisions for workers injured on the job or who contract illnesses on the job. Unionized workplaces with high standards are productive workplaces. A well-trained, well-paid, secure workforce is a productive workforce.

The long-term competitiveness of Ontario in the international marketplace will not be determined by driving us into the ground to the level playing field of the Canada-US free trade agreement or the North American free trade agreement; not by reducing us to the levels of the most backward constituencies; not by giving companies free rein in a privatized economy; nor by encouraging foreign corporations to invest more and add to our difficulties by extracting more in the form of profits and dividends which are then exported out of the country and create their own problems.

The long-term competitiveness of Ontario will be determined by training and education, high and proud workplace standards, a decent and hopeful life for citizens, with a stake in the province's institutions. That is the lesson of the most recent developments in the automobile industry, but it stands in direct contrast to the thrust of Bill 26 and of the government's economic program.

I submit this respectfully for your consideration.

The Vice-Chair (Mr Joseph N. Tascona): Thanks very much. Now it's time for the members of the different parties to comment or have questions for you. Each party has five minutes and 20 seconds. We'll start with the government party.

Mr Sampson: Would you say that the current situation with respect to the province's debt and annual deficit is a financial situation that needs to be addressed?

Mr Szczesny: It definitely is, but there are several ways in which it may be addressed. One of them is to do what the government is proposing to do and has already undertaken, and that is to cut spending, cut programs, and it hopes to give tax breaks to the rich and thereby stimulate the economy. That's one approach. It may or may not work, but if it does work it'll only work at the very great hardship of the working people in this province.

There is another way of doing it which is what was proposed in my submission, that is, to put money into the hands of people by creating jobs, by cutting taxes not to the rich but to the poor.

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Mr Sampson: How did we get to the position of having $100 billion in debt and a $10-billion annual deficit, do you think?

Mr Szczesny: It's a rather complex process that we arrived at that. A significant factor, as I understand it, was the permission, if not the compliance and actual activity, of the Tory government in Ottawa some years ago in permitting, encouraging, allowing, creating—whatever the case may have been—very high interest rates. That created a tremendous amount of the deficit.

Mr Sampson: But have you seen any government behaviour in the past, as you said in one of your three points, for job creation through significant infrastructure programs, higher taxation—have you seen any previous governments behave that way to solve the economic problem?

Mr Szczesny: Well, yes. Following the Great Depression it was government expenditures on social programs, on manufacturing. As it happened, it was manufacturing of military equipment to a large extent, but also other manufacturing. In the United States entire programs, like the Tennessee Valley Authority, were established at that time as public works programs to prime the pump, so to speak, and these were effective by putting money into people's hands and creating a healthier economy than existed in the 1930s.

Mr Sampson: So it's your view that our direction should be to draw a significant amount of money into public work programs, let's say building a road somewhere between X and Y. What happens when the road is finished?

Mr Szczesny: That's part of the program; it's not the entirety of the program. The other aspects of it include the question of, whom do you tax for these things? The governments have in the recent past, in the last 10 years, tried to do it by easing the tax burden on the wealthy and on the corporations. The result is that they've lost revenue but they haven't gotten the economic stimulus.

When the road is built, hopefully it was built in a place where it'll be useful, but in the process of building it, people were employed, companies made profits, taxes were paid both by the companies and by the people, the workers had to buy food, buy consumer goods, which they did, and the factories were stimulated to create more things.

Mr Sampson: When the last layer of asphalt is laid, the white line's down the middle of the road, what happens to the workers who built the road?

Mr Szczesny: Hopefully, the government and the public sector, the private sector as well, with this fine road will have that much more stimulus to create a factory that'll employ these workers.

Mr Sampson: Or you've got to find another road somewhere to build.

Mr Szczesny: Or you find another road somewhere to build. In any event, you don't accomplish a hell of a lot for anybody by saying to these workers: "No, we won't build that road, so you won't have that income. Too bad, because we're not going to build you the next road either." Furthermore, you're not going to do anything for them by cutting expenditures to colleges and universities, which is leading already to engineering courses being cut from some Toronto community colleges. You're creating a worse circumstance in the province rather than a better one by that approach.

Mr Sampson: Right, but wouldn't it have been better to—

The Vice-Chair: That's all the time we have for the government. It's the opposition's turn.

Mr Phillips: Mr Szczesny, are you now or have you ever been a card-carrying member of the Conservative Party?

Mr Szczesny: Never.

Interjection: Are these the McCarthy years?

Mr Phillips: I'm just kidding. I've always wanted to ask that.

Mr Sampson: Are you going to ask him if he's a card-carrying member of the Liberal Party?

Mr Phillips: I'm glad you came.

Interjections.

Mr Phillips: Forgive me. I know it's the end of the day.

What this is all about, as I think you know, is that the government's on a mission. That's the mission. It's the

revolution, and the cornerstone of it is a 30% cut in personal income tax. That's what this bill's all about, finding the money to do that, because when they make that cut, they've got to find $14 million a day to fund it. It's all spelled out in the document. They say, "We've got to cut $8 billion in spending so we can find $5 billion for the tax break." I wonder if you'd like to comment on that as an economic policy for Ontario.

We have a huge deficit problem, as the government says, but the solution is kind of an unusual one, and that is, to solve this huge deficit problem we're going to cut spending by $8 billion, but then we're going to pay out $5 billion in the form of a tax break.

Mr Szczesny: I don't believe that the government's main concern is or ever was reducing the deficit. I think its main concern is to redistribute income in this province, and the tax break and the structure of that tax break shows that very clearly.

Whatever benefit I might, for example, derive from that tax break will be eliminated just by the transit fees that I spoke about earlier. The thousands of dollars that people in the higher-income brackets are going to get out of these tax breaks—if in fact the government ever actually accomplishes them, because it seems to be backing away from them—will barely be touched by any user fees or whatever else might be imposed. So the question is not reducing the deficit at all, but making sure that the government and its cronies who operate car dealerships and what not will have more money than they have now, and more power.

Mr Phillips: The Conservative Party kind of likes to position itself, I think, as the great money manager. The strange thing to me has always been that the last time a Conservative government balanced a budget in the province of Ontario was 1969. That was the last time they balanced a budget. As a matter of fact, I think they're going to go probably what is a record, and that will be 20 years of Conservative rule in the province never balancing the budget, although the public would never think that. The public believes they know how to manage the finances. The fact is, the last time a Conservative government balanced a budget was 1969.

Does it surprise you at all that the supposed money managers, the Conservatives, have not balanced a budget since 1969?

Mr Szczesny: Not at all. We have the same picture from this fine money manager in Ottawa, Mulroney, who also had deficits every year.

Mr Phillips: Ah, yes.

Mr Szczesny: Large ones. And the neo-conservatives in the United States, for all their efforts, have not been very successful in balancing budgets either. You don't balance your budget by impoverishing people.

Mr Phillips: We had the other day—yes, here it is right here—one of the cabinet ministers in, giving us a briefing on the bill. Among other things, what he said was how pleased—no, he actually used the word "encouraged"—and this is around user fees. He was very pleased to hear that there are going to be corporate donors found to sponsor activities such as library use for underprivileged children. He went on to say that statements like this, that there will be corporate sponsors found for sponsoring library use for underprivileged children, really encouraged him and convinced him that his trust was not misplaced.

To me, I find it frankly objectionable that what he calls "underprivileged children" have got to find a corporate sponsor in order to use a library. I wonder whether you have any response to that or not.

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Mr Szczesny: There are two aspects of what the government's been saying that I find quite interesting. The first is that it does seem to want to reduce us all to a province of beggars going from one door to the next asking for things which we've always had before, and the second is that it seems determined to reduce us to mediocrity by constantly referring to how it is still above the national average in its expenditure on this or that. If its target is the national average, the province, from being the proud flagship of this country, is going to become the mediocrity that is typical of this government and perhaps the people in it.

The Vice-Chair: I'm sorry, Mr Szczesny. It's the third party's time.

Mr Silipo: I don't think I'm saying anything that will surprise you when I say that your point of view has been expressed by many people in front of us already. Although the government members may not take very much from what you're saying or may not agree very much with what you're saying, I suspect more because of your political affiliation than because of what you've actually said, it might interest you to know that we had a couple of other presenters—one was here a couple of days ago, someone who described himself as a typical Conservative supporter: a businessperson; in his own words, well off. His basic message to the government members was, "You're putting poor people's money in my pocket and I don't think you should do that."

We had, I think the last presentation before you, two people, one of whom was a woman on welfare who was describing her situation and that of her community in Regent Park and who talked about very much the kinds of things that you were talking about, although in different words, but I think saying essentially the same thing, which is that the actions of this government are going to cause great hardship for people who are poor, for people who are earning very little amounts of money. That's going to happen to the benefit of some of the richer people and some of the most well-off people in this province, because as has been pointed out, the tax cut is going to benefit, certainly by and large, people who are at the higher-income end of the scale.

The shift from that form of taxation that is reducing the income tax load for those individuals, while at the same time shifting the tax load through property taxes and through user fees, means in effect we're going to end up, as you've pointed out, with a more regressive form of taxation, which is only going to hurt those who are least able to pay.

I don't have a question for you, but I thought it would be interesting to just make some of those connections because, as I say, and I don't think this would surprise you, the government members may not be ready to rewrite this piece of legislation on the basis of what

you've said. But they might want to ponder for a second the fact that what you've been saying and what many others have been saying is really not that different.

Mr Szczesny: I think it should also ponder a lesson of history. The Conservative government in Ottawa got elected with a rather large majority at one time. By the time it was finished, you couldn't find anybody who actually would admit to voting for it. Hopefully it will meet that fate sooner rather than later and before too much of the damage is done by its program.

The Chair: Thank you, sir, for coming forward and making your presentation today.

Mr Szczesny: Thank you for your kind attention.

The Chair: Would members from the Toronto Real Estate Board please come forward. I believe they're in the hall with the clerk.

Maybe I'll take this opportunity just before we get going. Because of the cooperation of all the members of the committee, I'm going to be able to take off a little early and get the last train to Niagara Falls. I appreciate that.

I just want to take the opportunity to thank all the members of the committee for a week of what has been a model for all parliamentary committees. There was a great deal of cooperation and decorum. I think most Ontario citizens would be proud of their Legislature if they watched a committee behave and perform so well as this one has done. I will take the opportunity to wish you all a happy holiday season and a happy new year, and I will see you on January 8 to pick up where we leave off today.

TORONTO REAL ESTATE BOARD

The Chair: Welcome to the gentlemen from the Toronto Real Estate Board. You have a half-hour today to give your presentation. You may use that half-hour as you see fit. You may want to leave some time at the end of your presentation for questions and responses from the three caucuses. I would appreciate it if you would read your names and your institution into the record for the benefit of both Hansard and the committee members.

Mr Bill Jones: Mr Chairman and members of the committee, my name is Bill Jones. I am a member of the board of directors of the Toronto Real Estate Board, TREB, and chair of its political affairs committee. With me today are Fareed Khan, the board's policy adviser for government and legislative affairs, and Von Palmer, the board's policy analyst in the same area.

I would like to thank the committee for allowing us the opportunity to appear before you today to express TREB's views on Bill 26. Since our time is limited, my remarks will be relatively short.

The Toronto Real Estate Board is one of the largest real estate boards in the world, representing more than 22,000 realtors in the greater Toronto area, which we refer to as the GTA. In the first 11 months of this year, TREB's members accounted for the sale of 44,277 properties of all types, valued at more than $9.3 billion. During the 75 years since its founding, TREB has been a key source of in-depth information on all aspects of the real estate industry—residential, industrial, commercial and investment—in the greater Toronto area.

For most of the past decade, TREB, along with other partners in the real estate industry, has been urging governments at all levels to live within their means. In numerous submissions to government over the past several years we have urged political leaders to reduce government spending and lessen the ever-increasing tax burden faced by the province's residents, particularly those living in the greater Toronto area.

We have always been forthright in discussions with the elected members of this Legislature about the need for the province to work towards the following objectives: lower provincial spending and implement policies which will eliminate the provincial deficit and boost consumer confidence to generate jobs and growth in the economy. The economic health of our industry is dependent on the last point, consumer confidence, as is the success of the government's long-term financial objectives.

While we understand the government is trying to achieve some of its fiscal goals through Bill 26, we believe there are parts of the bill which need to be amended if the government wants to increase consumer confidence, maintain as well the high quality of life for the citizens of this province and maintain its objective of eliminating Ontario's deficit.

First, a general comment before we address some of the specifics of the bill.

By any measure, Bill 26 is broad in scope and extremely complex, considering that it will affect 47 different provincial statutes. In order to avoid any unforeseen consequences which could result from trying to implement such a complex piece of legislation, we strongly urge the government to divide Bill 26 into several pieces. By doing this, each piece of legislation will have a narrower focus and a more thorough examination of the proposed amendments contained in the bill will be possible. Furthermore, it will allow the government to safeguard against any unexpected results arising out of the changes made to so many pieces of legislation at one time.

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As you're aware, a large majority of TREB's membership is in the business of selling homes. However, when a home is sold, we feel the realtor has also successfully sold the community where the house is located and a quality of life. We believe that several areas of Bill 26, specifically in schedule M, would negatively impact the sale of residential real estate in some communities, thus affecting the quality of life and consumer confidence.

Specifically, we are concerned about the extent to which municipalities will be allowed to impose additional direct taxes and to charge user fees for municipal services which are now covered by property tax revenues. While there may be justification for allowing user fees in some limited cases, we all know that certain user fees would just be taxes under another name, and the last thing we need now is more taxes.

Furthermore, we believe that the prospect of additional taxes and new user fees would have a dampening effect on consumer confidence. With the possibility of individuals having to spend more after-tax dollars to pay for government services, they will reduce their consumer spending to make up the difference. The downward pressure this will have on consumer confidence will mean

bad news for the housing market, bad news for the economy and bad news for the government's revenue projections.

One area where municipal user fees would negatively impact the quality of life as well as personal safety is fees for outcalls by municipal emergency services such as fire departments. It is entirely conceivable that in communities where these are imposed, people would, for example, try to handle emergencies by themselves rather than pay a fee to have the fire department come and perform the task. In light of this type of potential danger, we do not support extending user fees to emergency services and we recommend that such fees be specifically excluded from the bill.

Some municipal politicians have voiced strong support for Bill 26 because they see it as an easy way out of dealing with reduced provincial transfer payments by imposing fees on "anything that moves," as one local politician put it. Additionally, some municipal leaders have interpreted these new taxation powers to mean that they will have the authority to levy sales and gasoline taxes. We find this very disturbing and recommend that provisions be put into Bill 26 which would specifically prohibit municipalities from levying taxes in areas which are in the province's jurisdiction.

While the statement by the Minister of Municipal Affairs that he will block any municipal attempt to impose gas, income or head taxes provides some assurance, the Toronto Real Estate Board feels that it would be better to avoid any potential provincial-municipal conflict in this area by ensuring that municipalities cannot impose these taxes. If the government is hesitant about accepting this recommendation, then one should ask whether there are any taxation powers that governments have previously been given which were not used. It would be a fallacy to assume that once additional taxing powers are given to municipalities, they will not be used.

There are two other areas of Bill 26 on which we would like to comment.

The first is where Bill 26 allows regions and local municipalities to pass bylaws to assume each others' powers in prescribed areas, where a majority of councils and voters forming the regions give their consent. We feel that this will provide regional and municipal governments with the tools to clearly delineate regional and local powers and thus eliminate overlap and duplication of services. It would also lessen confusion among the public as to which level of government is responsible for which service, thereby enhancing political accountability to voters.

The second area which we would like to address is the section giving the Minister of Municipal Affairs the power to restructure municipalities. We see this ministerial power being used in those circumstances where local governments are deadlocked and cannot come to an agreement on restructuring municipal governance.

The Toronto Real Estate Board feels that by conferring such authority on the minister, local and regional governments will clearly be motivated to come to an agreement among themselves rather than have the minister force an agreement upon them. We believe that allowing the Minister of Municipal Affairs the authority to amalgamate or annex municipalities would go a long way to speeding up the process of governance reform in the greater Toronto area and simplifying government for its citizens.

In conclusion, we would like to summarize our key points:

(1) The Toronto Real Estate Board reiterates its support for policies which will lower provincial spending, eliminate the deficit and boost consumer confidence and economic growth.

(2) We strongly recommend that due to its extreme complexity, and its impact on 47 different provincial statutes, Bill 26 be divided into several pieces to allow a more thorough examination of the bill.

(3) We recommend that the levying of user fees for emergency services such as police, fire or ambulance services be specifically excluded from Bill 26.

(4) We recommend that Bill 26 prohibit municipalities from levying taxes in certain areas which are under provincial jurisdiction; for example, gas taxes, sales taxes, municipal income taxes, as well as any type of head tax.

(5) We support provisions in Bill 26 which would grant regions and local municipalities the power to eliminate overlap and duplication of service.

(6) We support conferring powers to the Minister of Municipal Affairs which would allow him to take action on local governance reform where regions and municipalities cannot come to an agreement.

We would be happy to answer any questions which you may have.

The Chair: Thank you. We have about six minutes per caucus for questions. We'll start with the opposition caucus, Mr Colle.

Mr Colle: Thank you very much for the incisive and very clear delineation of some of the problems we've had with this bill in that it is basically going into uncharted waters. I think it's important that people like yourselves come forward representing such an important and vital part of our economy here.

In terms of the background, it's interesting to note that the government says that the intention of this bill is to provide unlimited flexibility, thereby overriding all existing limitations on user fees. This is why they've included this reference to direct taxation. The dilemma the government is in is that it's made this arrangement with the cities. They've told them: "We're going to cut you back 47%. But if you don't complain, we will give you these taxing powers. So you could have your pet projects or you could have this flexibility to tax what you think should have been taxed."

As you know, the mayor of Mississauga came forward and said she wants a gasoline tax. We had the mayor of North York say he's going to tax everything that moves—from skating, swimming, an annual membership fee to the library, a false alarm fee of $300. You can imagine what's going to happen.

The firefighters were in here echoing the same concerns you had. They said the first thing that's going to happen is some landlords are going to unhook the alarm system in order to avoid the $300 fee; or if the car catches fire in North York, you're going to try and put that fire out by yourself, because you know that if you happen to be a poor outsider from Mississauga, you may have to pay to put that fire out.

Mr Phillips: Or drive real quick.

Mr Colle: Or drive as fast as you can as you're on fire. This is what the problem is. The mayors feel this is like tax heaven for them, because they'll have the powers of taxation. As they go ahead in this, they think they're getting autonomy. The problem is that they haven't consulted with the people who are going to have to pay these user fees.

They've also taken the right of appeal to these user fees out of the legislation. In other words, the citizens or the business community have no right to appeal to the Ontario Municipal Board if one of these taxes is unjust and unfair. That municipality, by a simple vote, can impose a new tax, it seems on everything, because the interpretation is so unwieldy we don't know what it can include, and it seems to include everything.

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The problem I think you're going to find, though, is that the government may decide to amend the legislation, but what they'll do is they'll do it by regulation. But that gives the minister immense power to decide whether he wants to give Hazel McCallion a tax on her gasoline, and if she cooperates, she may get that taxing power. Then if someone in Nepean wants a certain tax, they may get it.

So there's going to be a whole series, a variety of different taxes because of these promises they've made. I guess the question I have for you is: If the municipalities undertake these new flexible taxing powers, how is it going to affect, let's say, this selling of houses in one community versus another community? What impact is that going to have in your direct interest of enterprise?

Mr Jones: My answer to that is I referred several times to the confidence that people have. Sales are definitely down. I looked today at new-home sales. They're down 15% over October last month; they're down 24% over November of last year. Condominiums have 11% of the market share right now in November, down from a normal 30% last year. We're looking at an overall drop in housing of 11% this year over last year.

We're living with a very fragile confidence out there. Over 60% of all of our sales are first-time home buyers. The move-up market isn't happening because of confidence. Until we get the confidence back to the people, we're never going to move ahead in the economy because a home becomes the centre of a family's life. So much goes into a home that it's the engine that will drive the economy.

My answer to your question is, we don't need more taxes. I believe this will raise taxes. I believe it will instil even more lack of confidence. If it's down 24% in new-home sales over November 1994, look for much larger figures.

Mr Colle: The other thing that I'd like to comment on, and you have commented on, is that my next-door neighbour is in the retail clothing business, and he's been saying to me for the last two months that something dramatic is happening on the street; that things have been slow over the last four or five years but in the last couple of months people who would normally buy simple, affordable things have stopped completely; that you can go for six hours in the store without anybody coming in. He said he's never seen anything like it.

Here we have a government, whether you agree or disagree with the social welfare cuts, whether they had to be done, whatever, that did it all before Christmas. Then, on top of that, they're announcing all these potential layoffs, that there are going to be so many thousands of civil servants out there. On top of that, you hear the bad news of Bill 26, where they've got everybody from doctors—and we had doctors come in here yesterday saying: "We've voted Conservative all our lives, but you're doing the wrong thing. You're making us look over our shoulders, never mind the little person who's about to buy clothing or, hope to God, buy shoes." If everybody's looking over their shoulders, who is going to buy a house, never mind clothing?

The Chair: Actually, I apologize. If I let you answer that one, we'd be into Mr Silipo's time. I'll have to go to Mr Silipo.

Mr Silipo: I'm sure you'll get a chance to answer it, because my questions are not going to be really that different, because I think that the question of consumer confidence which you addressed is certainly something that I, and I'm sure every other member around here, continue to hear a lot about from the people we represent. If we look just in terms of the issue that affects you and your members most directly, which is the purchase of houses or condominiums, prices are reasonably good, interest rates could be lower but they're not extraordinarily high, yet many people are hesitating, because either they don't have a job or those who have a job aren't sure that they're going to have that job tomorrow.

Mr Jones: Precisely.

Mr Silipo: It's that sense that I think, as Mr Colle was saying, is just being compounded by the attitude that this government is talking of cutting where we believe cuts aren't necessary. Then, while they came in with a position that said that they were going to cut taxes and cut the deficit, they are now engaged in, I think, the biggest hoax possible, which is to say that they're trying to now shift to the municipalities not just the power of taxation, which results in the problem that you've outlined, but in effect they're trying to have the municipalities do what they're not prepared to do, which is to raise taxes and all of that within the context of their own position, which is there's only one taxpayer at the end of the day.

I'm not sure I really have a question in all of that except to say that the point you've made—and I think it's useful that we hear it from groups like yours, because we know that the government tends to listen to different groups in different ways and I think an institution like the Toronto Real Estate Board comes to this table with some level of credibility that hopefully the government will pay some attention to. So I just wanted to make that observation, if you have any comments on that, please.

Mr Jones: My point that I was going to make a few minutes ago is that with 22,000 members, each of us speaks to a minimum of 10 people a day, so every day a quarter of a million people are in front of us. We have the ability to sense at the grass-roots level the feelings of the community. There are 55,000 in Ontario and almost 80,000 across the country in real estate. We have an excellent opportunity to sense what is going on in this

town, in this province and in this country. So I would beg you to examine this carefully, because it's a very flimsy kind of confidence that we have out there. We applaud, as I said at the beginning of my few remarks, that we must reduce deficits and debt and we certainly are in favour of that, but be very careful of how we do it and who we transfer those powers to.

Mr Silipo: One of the points, and I think one of the points that you've made as well again and many others have made, is that something as elaborate as this piece of legislation really does need more time for discussion than we've been given and you've been given. That's something I just wanted to note as well that others have said.

I wanted to also just try to clarify one other point. Again, I think you have been quite clear in saying that you support provisions that would allow for the elimination of overlap and duplication of services at the municipal level. Certainly, I support that as well and I haven't heard anybody around this table speak against that.

One of the points I wanted to make, though, was that in terms of how some of those provisions apply to the GTA, it's been clarified that in terms of restructuring of muncipalities, the provisions of Bill 26, as complex as they are and as much as they apply to everything else, don't apply to the GTA, which I happen to think is a good thing, because I think it's important that we get something from the government that is much clearer in terms of what they want to do with respect to governance in the GTA, although I think we're all expecting and would be supportive of the need for changes to be made and simplification to be the objective.

I just wanted to make that point because one of the conclusions I could draw from your comments was that you were assuming that it was possible for restructuring of municipalities within the GTA to take place as a result of this bill, and that's not our understanding.

Mr Jones: I understand.

The Vice-Chair: The governing party, Mr Hardeman.

Mr Hardeman: First, on the issue of the taxation and the fact whether poll tax and gasoline tax and income tax were allowed in the bill, the minister assured us when the hearings started that in fact the legal opinion was that it did not include those types of taxes. Since that time, we have had a number of people, as was mentioned by the member across the aisle there, in fact the mayor of Mississauga said she was looking forward to the opportunity of being able to implement gas taxes.

Mr Jones: That's what worries us.

Mr Hardeman: We've had two solicitors in who both said in their opinion it may not be really clear, but neither one thought that was the case, that they could charge those taxes.

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Dealing with the issue of user fees, I guess a couple of quick questions. One is, given the alternative of the reduced funding for municipalities, would it be your suggestion that they look at the user fee issue as opposed to increasing property taxes, or would you suggest that property tax increases are a more appropriate way of dealing with the need to provide the vital services within the community?

Mr Jones: That's a tough question.

Mr Fareed Khan: We have stated on numerous occasions over the last number of years at the regional and local level, as we said in our submission, that taxes are too high, and that includes property taxes. We applaud the efforts of municipalities to try and bring their own costs under control and try and keep property taxes down, but none the less we've seen property taxes go up. Every time a property tax goes up, it is a tax that hurts the business and it hurts the individual homeowner as well. So clearly we're not in favour of raising taxes. I think we've said clearly that taxes are too high already and what we don't need are new taxes.

On the area of user fees, as we said, there are some limited areas where we think user fees might be appropriate. However, those have to be considered very carefully as to where they're going to apply because, for example, if you do have the situation of emergency services or snowplowing streets during the winter, are there going to be user fees if your street is plowed, things like that? They have to be looked at very carefully before that sort of authority is passed over, because once municipalities have that power, we don't know where they're going to take it.

Mr Hardeman: I would concur with that. I think it's also important to recognize that the bill's intention is to provide the opportunity, as was mentioned in your presentation, to give the municipality opportunity to restructure and redo their way of doing business in order to keep the taxes as low as possible.

The other issue that I'd just like to comment on or question on was the local autonomy issue, that in fact the people at the local level are the ones closest to the issue to know what is an acceptable user fee and what is not. You suggested that nowhere is there any indication of where user fees were allowed that were not being used. In fact, Hazel McCallion, again, was in and said, yes, they had thought of putting user fees in certain places. The public said no, so they decided not to do it.

We've had numerous presentations in the committee that suggested that municipalities had a real problem with a user fee for garbage collection, as though that was a new power that was now being granted. In fact, municipalities have been able to charge a user fee for garbage collection for some time. Most have decided not to do it because they thought it was not acceptable to the people.

I was just questioning whether you didn't feel that maybe putting this type of decision at the local level was the most appropriate place for that decision to be made, what was an appropriate user fee and what was not, recognizing the minister does have the power by regulation to stop something that was not acceptable to the people of the province.

Mr Jones: They clearly have to get their revenue from somewhere. I've a home in Huntsville and we do have user fees on garbage, so I'm aware that it's possible. What we find is that garbage is often dumped at the side of a road to avoid the $1 a bag that you have to pay for the garbage, but it does make you more environmentally conscious.

I just wanted to mention one thing about, will taxes increase instead of user fees? How taxes are assessed has to be looked at. We have recommended in a submission

to the Golden commission that we look at new ways of taxing. We were quite valiant, I think, in our suggestion that we look at alternative ways to market value assessment. Every time I talk to a mayor, they suggest that there are 14 or 15 different ways, market value assessment, and we have recommended unit value assessment with certain caveats. All we're saying is, don't just say that taxes have to be increased to increase user fees; have a good look at how taxes are now assessed. I think we need to balance out properly how taxes are assessed, and you may very well be able to get by without raising, overall, the taxes.

Mr Khan: One point that I'd like to make is that, as was mentioned, taxation, whether it's being talked about or whether it's in place, does have an effect on economic growth, and economic growth is a key factor in the government's plan to try and have growth in the economy.

Mr Young: That was my next question. Can I ask you that question? Because you're almost answering it right now.

Bill 26 is a tool that allows us and will allow the municipalities to restructure and streamline and contract out and do whatever they have to do to make government more efficient. On the other side, you talked about the confidence in the economy, and our planned tax cut is going to be, in my view, the biggest job creation plan in the history of the province. What would happen, do you think, to that confidence in the economy if every Ontarian who is working had the equivalent of an 11% to 13% pay raise?

Mr Jones: I think that's admirable.

Mr Von Palmer: That's an interesting question. I think it's a little too early to give an answer to that. One thing that we have to look at are the debt levels that people have. You and I know that debt levels are high. It's a question of, if you get $1,000 back in a tax cut, or $2,000, what will you do with that tax? Some people have said they will pay off credit card debt, or they may pay down the mortgage, or you may have people who could very well go out and spend that money. We don't know what those numbers are. So to answer your question of what that will do for economic growth or whether that will boost consumer confidence, that really depends on what people actually do with that tax cut, if they do get that tax cut.

The Vice-Chair: We're out of time. Thank you for the presentation.

Mr Phillips: Mr Chair, why don't we have the clerk distribute the legal opinion from the Minister of Municipal Affairs on the tax issue?

Clerk of the Committee (Ms Lynn Mellor): I don't have a copy of it.

Mr Hardeman: I do have a copy of the legal opinion here. I was going to present it at the end of meeting today.

Mr Phillips: We were kind of expecting it this morning, but I would like to see it now.

The Vice-Chair: We have another presenter to come in here.

Mr Hardeman: If there's no objection from the committee, I'd be more than happy to send a copy around.

Mr Phillips: Great. Thank you very much.

PAUL HOLLIDAY

The Vice-Chair: Is Mr Holliday here? Mr Holliday, you've got 30 minutes for your presentation.

Mr Paul Holliday: My name is Paul Holliday, and I'm a proud resident of the city of Etobicoke. I'm certainly not a typical Conservative supporter, to pick up on something Mr Silipo was saying a couple of presenters ago. Professionally and personally, I've spent the last 15 years of my life involved in leadership and professional pursuits, in helping to pursue and create community housing in both the non-profit and cooperative sectors.

This summer I lost a project. It hurt. It took us five years to get that project together. Services that would have accrued from that project were lost to that particular community, and of course, as a businessman, I lost a considerable number of dollars. It took five years of work to get to the place where one was supposed to get paid, and one didn't. So I know personally and professionally about the nitty-gritty of the term "cuts."

Ladies and gentlemen, it must be done. In case you didn't hear me, I want to say it again: It must be done. As a matter of fact, I'll just claim this as my perception so we don't argue about who said what to who, but in the last provincial campaign before the one that we've just gone through in June, it was well known in the circuit, in the business, that the Peterson government was fully intending to cancel public housing programs or extremely curtail them so that in effect they'd be cancelled, and everybody was admitting to the fact that the public trough is dry. That's not 1995; that's 1989 or 1990, whenever the NDP government took over.

Therefore, frankly, we all knew that the days of the NDP programs were in effect printing money that wasn't there. I knew it. I still did it. I admit it. In effect, I was part of the problem. But knowing that the writing was on the wall and knowing that communities would sooner or later have to bootstrap themselves and be in new partnerships with the private sector, I was also working throughout the NDP years towards that new paradigm. And it is a new paradigm. It's not simply a shift. It can't be a shift. It couldn't be a shift. We were living with rose-coloured glasses and a new paradigm was coming whether you liked it or not.

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Fortunately, as I found out at a recent conference sponsored by Canada Mortgage and Housing Corp, the NDP government in BC recognized that fact of life four years ago, went a different route and said, "Communities are going to have to get what? More creative, new partnerships with the private sector," and they, according to what the conference was told, did precisely that. That was the NDP talking at that conference.

So I've lost and I am ready to lose. I'm also ready to win. I'm working now, and I have been working in recent years, with communities that are forming the alliances necessary to bootstrap themselves to this new paradigm. Working with the federal government and now with the provincial government, I am taking a specific cooperative housing project out of public sector funding and into private sector funding. It is happening. Government will be invited to a sod-turning and to a ribbon-cutting, but it won't be to celebrate spending of taxpayers' money. It

won't be to give me gifts or give my client a gift; it will be to glorify the remitting to the taxpayer of moneys that would have been paid if nothing was done except the same old same old.

What I'm saying is that all of us in this room—politicians, bureaucrats, advisers etc—have been part of the problem, the problem of feeding at the taxpayers' trough. Whether for good reason or for bad, whether for smart reasons or for stupid, the fact is that we have not been looking to the health of future taxpayers. That's what the dollars and cents tell us and the red ink tells us. So I say to you, the government—I will claim on behalf of the majority of taxpayers—"Do it, do it all and do it now."

I want to break that down for you. Looking at the bill—and I've gone through it all, and I want to thank the committee for the opportunity of speaking today. It took a little bit of wrangling to get through the bureaucratic process, but it's nothing new to me. It certainly took me a lot less to get through this process than it has to get through any number of municipal zoning or approval processes, I can assure you of that.

Let's look at the word "omnibus." Break it down? I'm sorry, Toronto Real Estate Board, I do not agree. Absolutely, absolutely not. It has to be an omnibus bill. Don't you guys dare break this bill down to its component 47,000 or 49,003 parts, whatever. Don't you dare take 10 years, or even 10 months for that matter, to study it. If anything, taxpayers are telling you to add to it. And if you want some suggestions on adding to it, just give me a call. I have a few.

In terms of the municipal stuff that I have to work with day in and day out around the province, and specifically in terms of restructuring municipal government, look, we don't want restructuring by imposition, by the Orwellian Big Brother or Big Sister approach. We've had enough of that. Been there, done it. No more.

But taxpayers have said time and time again, in elections, in referendums and by sundry other means: "We want less government. We absolutely want you to take government by its hair and certain complete levels of government by the hair and yank it out by its roots and make it disappear." Do it. Don't pancake it; don't patty-cake it; don't promise it and then gutlessly abandon us, as did the previous government over market value assessment in Metro Toronto. Do it; do it all and do it now.

When it comes time in the next election, allow me to vote on what you've done—not what you've talked about, not what you've promised and postponed because you didn't want to upset X and Y special-interest groups till the next election, and then you're going to tell me after the election's over how many hospitals you're going to close down or how many Thistletown regional children's centres you're going to close down. Do it up front and let us make a fair judgement.

Whether we're talking about school boards, local government, regional government or these strange quasi-regional government-like structures that seem to have octopus-like tentacles into all aspects of our lives and grow almost like the epitome of the 1950s Steve McQueen sci-fi movie The Blob. You don't know where it's going to crop up and supposedly it saves us from a 1954 catastrophe and the next thing you know you turn around, it's operating a water park and building roads on the sacred grounds, but of course nobody else can do that.

Please, please, please, government of Ontario, work with us. I'm saying work with us at the community level. Work to get out of our way. Let the grass roots of both community and private enterprise recapture the central ground of Ontario life that it used to have. Let us breathe and grow. Please provide the leadership that is so desperately needed to end rule by suffocation.

How do you do it? Simply do exactly what you have promised. The book was raised earlier. Do what the book said. Then if it's wrong, we'll know about it, because there will be three years of what the book has said. Don't wait for three years; do it now. Don't wait for 10 months; do it now.

The Vice-Chair: Thanks very much, Mr Holliday. We'll have some discussion about your presentation with the three parties, starting off with Mr Silipo. I believe we have about six minutes and 20 seconds each.

Mr Silipo: I just want to pursue a couple of points. I think your message, as I hear it, is quite clear except that you keep referring to "it." I don't want to assume that by "it" you are talking about necessarily everything that's in Bill 26 or everything that's in the Common Sense Revolution, although the last comment that you made seemed to me to indicate that when you were referring to the book, that's what you were talking about, what the Tories promised.

Mr Holliday: No, sorry, I was referring to the book that Mr Phillips held up earlier.

Mr Silipo: The Common Sense Revolution.

Mr Holliday: In terms of the promises.

Mr Silipo: Right. I guess part of the problem that we have is that we don't think the government is doing what the book said. I'll give you a couple of examples. The government was pretty clear in saying—which is a way of my trying to get to the basic point that I want to make, which is really to ask you at the end of this, do you not have any concerns, as the government proceeds to implement the general thrust of its agenda, about what's going to happen to the average Ontarian out there?

Just to use the health example—there are many others we can use—the government was quite clear in saying there would be no user fee for health care, and there are now user fees for health care. The government was pretty clear in saying that there would be no cuts to health care, and there are cuts to health care. It's not so much the fact that the government has changed its mind, which I think is one issue we could be debating and attacking, but it's more the question that the government is continuing to pretend that it hasn't changed its mind, which I find really bothersome.

Mr Holliday: With great respect, sir, I don't agree with you. I find it amusing that the latest musings of the press—and I guess they're using what you're feeding them—say that somehow there's maybe going to be a rollback of the promises on tax cuts because there's a reference to, I think, something called the fair health tax for middle- and upper-middle income earners. It's in there. I guess the press is just catching up on reading it.

Mr Silipo: I'm not talking about the health levy.

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Mr Holliday: I think when you talk about health cuts, I guess it's what you all define as a health cut. I'm not an expert at health cuts. I work in the municipal field, but I believe they have taken definitions stated by the government of Canada as to what is considered part of universal health care in Canada.

Mr Silipo: But do you think that the average voter out there—

Mr Holliday: It's not what you've said, not what I've said, but what the government of Canada said is part of the health care system.

Mr Silipo: But the point I'm making is, that's not what Mike Harris said during the campaign.

Mr Holliday: That's exactly what he said.

Mr Silipo: No. He didn't explain the nuances of the Canada Health Act to people. He didn't say—

Mr Holliday: Did you explain the nuances of closing down the Thistletown regional children's centre?

Mr Silipo: We put out that proposal.

Mr Holliday: No, you didn't.

Mr Silipo: It was clearly out there. People understood why, but we can debate that.

The point that I wanted to ask your comments further on, because obviously, fine, if you agree with what the government is doing, you agree with what the government is doing and that's your opinion. But you don't have any concern that in their eagerness to do what they're doing, we are going to be seeing in effect a tremendous shift of resources from those who are least able to pay now to those who are most able to pay and in fact that's clear through the tax cuts in terms of who benefits the most? That's clear when you apply any form of user fees on a proportional basis to income. They're going to hit inevitably at a higher percentage of income of those who have a lower income. You're not concerned about what that does to the kind of society we live in?

I think this is one of the assumptions that I guess I don't agree with in what you're saying. You didn't say it, but there was almost an assumption in what you were saying that those of us who are in disagreement with what the government is doing want the status quo to be maintained, and that's not the case. I think you'll have to acknowledge that there have been the beginnings of some fundamental changes with the previous government.

We can argue about whether they went far enough and how they were done, and I think there's lots of discussion that can take place on that point, but the essential point is, no one is in favour of the status quo. Everyone understands that we need to bring government spending down, but the essential point is how we do that in a way that doesn't destroy the social fabric that we have in this province.

Mr Holliday: That's a very important question. I want to answer it two ways. One I've already covered in my submission and that is, if your government had copied your colleagues in British Columbia on the area that I have a professional interest in when they did, as I hope that this government does in terms of some issues around rental apartments and what not, if you had done that and your government had done that, you might still be in government.

The second point I want to make—and this is a fearless prediction on my part. I guess I can make it because I'm just a citizen. I don't have to get elected to anything—if this government does what it has promised to do, and if the types of things, the initiatives that I've been involved in now for the past four years and that are starting to come out of the pipe, in spite of frankly the opposition I got behind the scenes, behind the back doors through the last four years, this government will be responsible by getting in a lot of the way—my definition of the word "responsible" admittedly—for more community housing than was ever done in the last four years.

Mr Sampson: Thank you very much for your presentation. You've told us when you started off you were a businessman and, I think, advising business. Is that what you do?

Mr Holliday: That's part of what I do.

Mr Sampson: What would be your advice to a business that was spending on a regular basis and an increasing basis well in excess of what it was earning?

Mr Holliday: You're spending money that isn't there. You're printing it.

Mr Sampson: Do you think that the average voter has got a good sense of the fact that when this government came into power, the previous government had left us with a province that was spending well in excess of what it was currently earning?

Mr Holliday: Absolutely.

Mr Sampson: There has been some comment over the last couple of days about how we're offering—and one of the steps to do that is through this piece of legislation—a completely different perspective on how the province should be governed on a lot of levels: at the provincial level and at the municipal level. I gather you have read our Common Sense Revolution. Is it your view that that is indeed something we told the people of Ontario that we were going to deliver?

Mr Holliday: Yes. You can argue interpretations till the cows come home on every word in the English language, but so far, in my opinion, you've done exactly what it said to do. To me, any right-thinking person is going to say, yes, we need to do something different in municipal government, and different in health care, for that matter. But for too long "something different" has meant spending more money while we keep on spending the same money on the same old, same old.

First, stop spending money on the same old, same old. Close down the municipalities that don't make sense any more, the levels of regional government that don't make sense any more, the facilities that don't make sense any more, because they're half empty but they've still got the CEOs and all the perks and everything else going on. Rationalize the thing and then with the money you have on the table, not with the money that's coming out of my pocket—my brother said to me last night, "What do you think about the government taking money out of poor people's pockets to put into rich people's pockets?" I asked him, "How much money do you and your wife make a year?" They make a modest amount of money, somewhere over $50,000, $20,000 to $30,000 apiece. I said: "You're the people whose pockets the government over the last 10 years has been taking the money out of

in ever-increasing amounts. You're the 'rich people' the critics are talking about. It's your money that people want to give back to you now." That's what has to happen, and of course that's what the fair health tax is all about, so the rich rich people are still going to have to pay.

Mr Young: Mr Holliday, I'd like to thank you for coming. I really appreciate it. I want to congratulate you too, because I know there are millions of people out there in Ontario who feel exactly the same as you do. I hear them. They call me on the telephone in the evening, I talk to them on the weekend in my riding, and they say: "Don't blink. You have to do it for Ontario. You have to do it for our children." You've been there. It's cost you money and you're still saying to us, "You have to do it." We've had a large number of people in here this week who have said, "We know you have to do it, but don't do it to us." This is a whole different message, so I want to congratulate and thank you.

I wanted to ask you your opinion, as someone who has helped create jobs and someone who understand business, what would happen if we don't do it, if we don't act to make these changes?

Mr Holliday: Then I hope we elect the NDP government of British Columbia to take a trip over here, because it's better than what we've had in the last few years.

Mr Young: What would happen to our economy?

Mr Holliday: We'd be in a disaster. We are in a disaster. You're not going to get out of the disaster in three months of bold and courageous statements. There's got to be bold and courageous action over three years, and not talking about it over three years and maybe doing it at the end of three years. Do it now. The problems will be worked out. The problems will be there; work out those problems. Don't hum and haw and hum and haw and hum and haw. Do it.

Mr Young: What would happen to our economy? What will happen when everybody in Ontario who pays taxes gets the equivalent of an 11% to 13% pay raise?

Mr Holliday: I'll tell you what is happening, and it happened by accident. I'm working on a project that's going to produce thousands of everything, jobs and what not, but that's not what I want to talk about. I ran into a European producer of wall systems that has just been recently convinced, instead of locating in the United States, to locate in Canada, in Ontario. Why? One is because we fortunately squeaked through on the referendum, and the other is what we're doing here today. That is going to produce, in and of itself, 500 jobs.

The big problem for these people was that they approached the ministry three months ago and didn't get anywhere in terms of even talking. In the last three weeks, as I was phoning this committee—and it was really the impetus to say, "I'm going to get in touch with this committee"—I phoned the minister's office and carried on. A week later we had a meeting, and those people are on the road. They are coming to Ontario.

Mr Young: Could I get the name of that company before you leave? I'd appreciate it, because I'm keeping a scorecard. We've got 200 jobs from Disney Studios coming to Toronto. We've got 800 to 1,000 jobs, plus the spinoff, coming to Alliston, announced last week. I'm going to keep a list so that I can show the people who voted for me in four or five years how much farther we've come.

Mr Holliday: I'd be glad to.

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Mr Phillips: I appreciated the presentation. Frankly, I agree with you on the tax thing, in the sense of what the government's going to do. It will do the tax thing. It will implement the 30% tax cut. The reason I say that is I think people like Mr Young and yourself and Mr Gilchrist will insist that it happen, because if it doesn't happen, you'll quit. I have no doubt that the government will implement it. You ran on that and you're totally committed to it. I don't think Mr Harris would be permitted by his caucus to back off it. I think it's lunacy, personally, but they'll do it.

I have two or three questions. One is that they're planning to implement this, but in their fiscal outlook document they show that next year the number of people unemployed actually goes up; in 1996 there are more people unemployed than in 1995. Then in 1997 there are more people unemployed, according to their document, than in 1996. Why, if this plan is so good, would the number of people out of work be going up rather than down?

Mr Holliday: First of all, may I talk about the premise of your question. My personal opinion is that the economic forecasts that document was based upon are needlessly conservative, if you'll forgive the use of the term. I don't agree with them. I think the results in 1996 are going to be very much more optimistic than is predicted in that document, and I suspect that if they were to run the numbers today they would say that. I applaud them for giving a gloomier picture than they could have given, and in actual terms in 1996—we'll see if I'm right or wrong—it's not going to happen the way they said it's going to happen in terms of the results to unemployment.

Having said that, the bottom line is that people, of whichever party, seemed to have the belief for the last 30 years that the more civil servants we had, the more things were going to be accomplished. I'm here to tell you that if you get rid of half the civil servants things will happen twice as quick, not twice as slow. I've had more people in the various bureaucracies telling me they're understaffed and underpaid and I can't do the yelling and screaming. Then I say to them, "Why don't we sit down and work something out?" which they would never have done a few years ago. They would have stuck to their guns in caucus and hummed and hawed. Now they're actually working stuff out because they have to, which—hello—business has had to do for the last 10 years.

Mr Phillips: I appreciate that. All I can go on is what they say is going to happen. I don't have any unique crystal ball, and they're telling me there are going to be more people out of work next year than there are this year.

Mr Holliday: Do you believe that next year there's going to be more unemployment than this year, Mr Phillips?

Mr Phillips: I just go on the numbers they give us.

Mr Holliday: I told you what I believe. What do you believe?

Mr Phillips: I take the government at its word. If they believe there are going to be more people out of work next year than this year, I assume that's the best estimate they can provide us with.

Mr Holliday: That was in the beginning. When was that version written?

Mr Phillips: November 29.

Mr Holliday: I thought you were talking about the CSR.

Mr Phillips: No, no. This is what they said on November 29.

Mr Holliday: Okay. Now we're talking a different question, I guess, because before you said the CSR indicated an unemployment increase.

Mr Phillips: No, I'm sorry. Hansard may show that I said the government is predicting that next year there will be—in this document, November 29—more people out of work next year than this year. Then they're saying that in 1997 there will be more people out of work than in 1996. It's a very curious thing to me that the more this thing is implemented, the more people there are out of work.

Mr Holliday: I believe there will be less unemployment next year, and many of the private economists are saying the same thing, frankly.

Mr Phillips: I don't know why the government would try and mislead us on that.

Mr Holliday: They're being conservative.

Mr Phillips: I guess you're anxious to see restructuring in Metro.

Mr Holliday: Oh, you'd better believe that.

Mr Phillips: You feel that municipalities need to be restructured, and that's one of the reasons you're anxious that they get on with this bill?

Mr Holliday: I would have been happier to see this bill expanded to include the GTA, but I guess we've got to wait for the commission set up by the government that wanted to study things.

Mr Phillips: So they're not getting on with that part of your—

Mr Holliday: I would have been happier if they just did that at the same time—before Christmas.

Mr Phillips: But that's not part of the plan here.

Mr Holliday: It's not in this bill. No, it isn't.

The Vice-Chair: We're out of time. Thanks very much, Mr Holliday.

DEBORAH KENT

The Vice-Chair: Will Deborah Kent come forward. Deborah, you have 30 minutes for your presentation.

Ms Deborah Kent: I'll start by introducing myself. I do have a letter which I will be reading and I'll hand it out to you. My name is Deborah Kent. I'm a resident of Toronto and Ontario, but I was originally born in Winnipeg. I'm just an ordinary taxpayer. I have a family here, a happy family, I'm a productive member of our community and I have a happy professional life. I'm here today, missing my daughter's Christmas concert, as I'm sure all of you here are doing, because I am very concerned about this bill.

My presentation is not a sophisticated, technical address to various parts of this bill. In fact, last night I phoned a very good friend of ours who is a senior civil servant and I told him I was doing this. He wanted to know what I was going to say and I gave him a summary. He said to me: "Do not get emotional. Do not talk about anything except specifics. Get technical and don't bring the emotion in." Well, that's not what I'm going to do. I'm going to read you a letter that has come from my head but also my heart, and I'm going to ask all members here to listen carefully.

"Contained in this letter is my view of Bill 26 and the government's manoeuvring of this bill through the Legislative Assembly. Please add this submission to those documents discussing Bill 26 in general during the various committee hearings.

"As an Ontario resident, taxpayer and a Canadian nationalist, I felt compelled to register my strong disapproval of the current government's Bill 26. My disapproval and disappointment is a result of the bill's unnecessary scope and all-encompassing nature; the government's handling of the bill, the government's initial unwillingness to allow public debate on the bill; the government's disregard for public interest by not revealing information about the hearings and for its arbitrary deadline imposed without any announcement.

"Canada is, in my opinion, the most wonderful country in the world, and Ontario a rich and prosperous province in which to live. As a result of a number of factors, our current debt load, both nationally and provincially, is at an unacceptable level. Few citizens, who understand the mechanics of balancing the family budget, would argue with that statement.

"Reduction of our public debt is unpleasant but necessary. However, the current government's agenda to drastically slash public debt while reserving a tax cut for an élite layer of Ontario's population, with the belief that with the deficit reduction the economy will prosper with little or no negative effect on our society as a whole, is ill-conceived, mean-spirited, strategically flawed, and in the end will fail. Reduction of public debt can be achieved with less dramatic slash-and-burn techniques, less human fallout and suffering and far fewer long-term problems, if the examples of deficit reduction of other provinces are followed (for example, Saskatchewan and New Brunswick).

"The all-encompassing nature of Bill 26, its sweeping, arbitrary powers given to government ministers and their appointees, and its complete disregard for the general public interest cannot be justified by stating that this type of bill is required in order to 'fight the deficit and get this problem under control.'

"Never in the history of this province or, for that matter, in this country, has a government attempted such a draconian 'grab for power' with a bill such as this. The bill would affect every single component of our lives as Ontario citizens, with little or no recourse to future changes or amendments. Never has such arrogance been so obvious in a government as evidenced in Bill 26. The bill's sweeping and arbitrary nature would change forever the very nature of society in this province, a change that I am sure would not be positive in any sense of the word.

"It has been difficult for me to decide which has been the worst of two evils: the sweeping and arbitrary nature

of the bill, or the undemocratic and completely disrespectful method of railroading through Bill 26.

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"Given the sweeping nature of the bill and its all-encompassing effect, common sense would dictate that public debate and input about the consequences of this bill is required. It is evident by the manner in which the bill was introduced and the attempt to manoeuvre it through the House that the government has complete contempt for honest debate and discussion. The attempt to hide behind the argument that, 'We were elected to govern and carry out our agenda,' is fraudulent and dishonest at best.

"I watched in disbelief as Mr Curling and his colleagues refused to leave the House in an attempt to restore some sense of sanity to the processing of this bill through the House. As a strong believer of the democratic process, I was appalled that such techniques were required. But required they were, and desperately.

"The current government's complete lack of regard and respect for the citizens of Ontario with reference to their right to speak to this bill and its impact is truly frightening. In addition to not allowing any initial debate or discussion on the bill and its all-encompassing powers, the government's arrogance was once again evident in how the current committee hearings were structured and announced.

"The ordinary citizens of this province never had a hope of truly understanding this bill, never mind an opportunity to debate or comment on it. Little or no information was made available to citizens about the nature of the committee hearings, how to apply to make an appearance or a submission, or, for that matter, were they given a decent time frame in which to find this information out and prepare their concerns.

"Hearings with less than a week's notice to be held the week of Christmas is a blatant slap in the face to the ordinary citizen of this province. Special-interest groups had more notice, but just. The timing of the railroading of this bill is appalling. But what is worse is that, once caught railroading the bill, the government's arbitrary setting of a date for the completion of the hearings almost guarantees that little or no real debate will be forthcoming from many ordinary citizens.

"I believe that few, if any, of the people who voted for this government would agree with the granting of this bill's arbitrary powers and frightening dictatorial nature. Once the true effects of this bill and other sweeping changes which the Tories are making become evident and start to negatively impact on every family in this province, acceptance of this government will falter. Combining this lack of support with voters who did not support the Tories in the election will result in a reduction in the government's popularity, and then hopefully some common sense will become evident in this current government's approach. In my opinion, that day cannot come soon enough."

Before you allow me to answer your questions, yes, you can see that there are some strong words here and, yes, I am angry. Quite frankly, while I was reading this, I felt as if I was speaking to my seven-year-old child for something he had done with a friend in the playground. I don't mean to lecture you, gentlemen, and I apologize if I sounded like that, but my family says I do sound like I lecture a lot.

I think the point I'm making here is that there are a lot of people—and I disagree with Mr Young—today, if asked if they had the time to read through this bill, if they had it explained, if they had the time, the understanding, would agree with the hundreds and hundreds of people who in the short span of three days have faxed and phoned; columnists like this woman in the Star and many other places. People are appalled with the points that I have raised here.

All I would ask you people to do is the same thing that I ask my seven- and my four-year-old to do. I want you to look at the people who have come here. I want you to listen to them, because they are telling you that this is not acceptable behaviour. You have to admit that a mistake has been made. Mr Harris, I hope, has the fortitude to admit he has made a mistake, he has made a very large political mistake.

And you know what we tell our kids and our family, we tell them, "It's okay, you can make mistakes." But then it takes more of a person to be able to say: "I made a mistake. Let's sit down, let's talk about it, let's listen, let's work it out." A mistake has been made in the way you have approached this whole bill. This is not what people voted you in for. Yes, there probably are people who do agree with this, but if they understood, they would see that consultation is required.

And yes, I understand, many people understand, our finances are in a mess. There's no question about it. But any of you politicians who have been here for many years—and I've worked for all three parties as a volunteer, I understand the political process—any of you who have been here share the blame. We all share the blame, because we were spending money we didn't have. And yes, we all know, we're bankrupt and yes, we all know we have to do something about it, but I don't think we need to destroy our society while we're doing it so that we can become more American and there will be less haves and more have-nots.

I'm a Canadian, I love being a Canadian and I think that we have an ability to consult, to compromise, to be inclusive and to help other people. And yes, I sat in just down the hall there and listened to one of the MPPs talk about how she's worried about the debt and her children and everything. Don't lecture me about that. I understand, so do a lot of people. Sure we have to cut the deficit, but there are ways of going about it and people who are going to be affected, we need to be consulted about this and no, we don't need to take five years to have another royal commission on how we're going to approach the deficit, but we don't need a bill like this. It is railroaded through and an insult to our civil liberties. And yes, I apologize, I've lectured you and I'll stop right there.

The Vice-Chair: Thank you, Mrs Kent. The government party—each party has about six minutes.

Mr Steve Gilchrist (Scarborough East): Thank you, Mrs Kent, and allow me to thank you particularly as an individual who's come in. As you say, the special-interest groups who are usually far better prepared for these things because they write their drafts well before bills are

even written and take the same dogmatic position no matter what the words in the bill say have an easier time getting the ear of the opposition parties and being stacked on to the list.

But I'd like to ask you a couple of things, and I'm operating on the premise that you've read the bill. Some of the words you used were quite inflammatory and I wonder if you're aware that the previous government had five omnibus bills, two of them larger than this one, and I'm curious to know whether you came down and made any kind of representations during those proceedings, although I suspect you couldn't have because they allowed respectively 50 and 22 minutes of debate in the House for the last two.

You're probably aware, we had 19½ hours of debate on Bill 26 in the House and I wonder perhaps if you can also explain to me—and I'm not lecturing but I'm somewhat confused. As someone who prefaced her comments by saying that you were a nationalist and you believe passionately in our democratic process, how, if in fact the people in this province chose certain representatives on June 8 to make these tough decisions, to draft the legislation, to deal with the problems that you yourself have admitted, face all of us if we're going to get serious about the future for our children—we were given that responsibility; we don't govern in this province by referenda; we do not govern by going out and having votes every week. We make the tough decisions and then we're judged come the next election, and we did make the tough decisions here.

But I ask you one other final point and then I'll let you respond. We hear a lot of rhetoric about perhaps four sections of this bill and it's certainly, for all of us, a big bill to digest in one reading. But I wonder if you're aware of the fact that it exists as an omnibus bill because of the procedural nonsense that wasted the first two weeks of sitting of this House at a cost of about $1,000 a minute to the taxpayer, while certain other parties, not the government, held motion after motion to adjourn and other frivolous matters. Had we had those two weeks to do what you are paying us to do, we could have had four or five bills. Instead, to meet our mandate, to give you the maximum return for your dollars, we are still marching ahead, having made the decisions to change certain pieces of legislation.

So answering sort of on a democratic process, why should the rhetoric be out there?

Mr Phillips: Stop lecturing.

Ms Kent: I lectured him. If he wants to lecture me, it's all right.

Mr Gilchrist: Mr Phillips,—

Ms Kent: I'm going to answer him very shortly.

Mr Gilchrist: —you played fun with numbers. I'd like to play fun with democracy.

The Vice-Chair: Mr Gilchrist, just ask your question.

Mr Gilchrist: Okay. Please explain why the process, as it's supposed to work in the chamber, is not sufficient?

Ms Kent: Sir, I'm going to answer the one portion of your question that I believe I can answer. I believe that if your government had outlined many of the things you're proposing with this bill in your platform and asked people to sit down and think about these things and then vote for you, I don't think you would have won the majority, because I think you are misreading, right at this moment, what is happening politically. People are not happy with the scope, with a number of these issues. I think I understand your need to continue to use this refrain, "We were elected to govern; we're losing $1 million a minute" or whatever it is.

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But let's get beyond the political rhetoric and just address if you had lined up all of these things in a list and said: "Specifically, this is the kind of thing we're talking about. For example, we could go to the library and have a $20 fee in order to be a member of the library. Would you agree with this in order to provide a tax cut to an élite group of Ontario taxpayers?" I'm not sure you would have been elected. So that's my point.

Mr Young: But those things are speculation right now. There's no definitive answer on those things right now. I would like to ask you something, because I'm really concerned when I keep hearing this, that the tax cut is for an élite layer of society. "Élite," by definition, implies a small group. In 1993 StatsCan figures, 87% of the population filed tax returns that they made $50,000 or less. Those people, all of them, will get a tax cut. So how is it that you're saying only the élite will get the tax cut?

Ms Kent: Well, I'll tell you, to be honest with you, and I'll make the prediction right now, I don't think you're going to be able to make a tax cut, because I believe these spending cuts are going to drive this economy into recession. I also believe that the bond rating agencies will probably tell you that you need to put that money over to reduce debt and not provide a tax cut. So we could talk about tax cuts all night, but I don't agree with you.

Mr Young: But I don't understand how you came up with the term "élite." Can you please explain it to me, because I've heard it before; I hear it from the opposition all the time. It's not an élite; it's everybody who pays taxes.

Ms Kent: Right, but I don't think there's going to be a tax cut. I don't think you people are going to be able to afford to do it. I don't know. You have conversations with the bond rating agencies, I don't.

Mr Young: You also said that you agree there's need for change, and everybody who has been here says that to us. I was going to ask you if you think that governments have been working well, and you indicated that you don't. I want to ask you, how else can change happen? How else can we make change happen? We have to take strong, definitive action.

Ms Kent: Sure, of course, we have to take strong action, but not this kind of action that totally railroads the functioning of this province, for heaven's sake.

Mr Young: Can you give me an example of that railroading?

Ms Kent: I'll give you an example. I'm not sure how many people have presented to you over the last four or five days, but I think there's a high percentage of people who are saying, "You didn't talk to us."

Mr Young: But those people are all here. They're all here talking. You are part of the process, right now.

Ms Kent: People wanted to be consulted. Now, that's a very good point that I'd also like to raise. I want to reverse, if I can, and ask—

The Vice-Chair: Ms Kent, we're out of time. It's the opposition party's time right now.

Ms Kent: I'd like to ask one question of the government.

The Vice-Chair: Well, unfortunately, you can't. It's the opposition party's time.

Ms Kent: Maybe one of these guys will—

Mr Colle: No, go ahead. We believe in allowing people like you to come and speak. Go ahead.

Mr Young: So do we, Mike.

Mr Colle: That's why you didn't want the hearings. Don't give us that baloney. That's why you didn't want the hearings.

The Vice-Chair: Mr Colle, do you want to allow Ms Kent to speak? Ms Kent, can you proceed.

Ms Kent: I would like to know whether the people who have been sitting here listening in these committee hearings are actually listening. Have you heard things? Are you going to make some amendments? Are you going to actually change some of the things? Has this been a productive exercise? Are we glad that it's taking place and that we have two more weeks? That's what I want to go home and tell my kids, because we've had a great discussion this week about this. Are we actually going to have something done about this bill? Have you been listening to people?

Mr Young: You can tell your children that with confidence.

Ms Kent: Well, I'm glad, and thank you very much. That's all I wanted to know.

Mr Colle: I want to thank you for your courage and for your commitment and for being here, because I think this goes beyond what's in this bill. It goes on to talk about the kind of government that we thought we had in this province and what kind of government we're getting. As you know, we have a government here with an 82-seat majority that felt they wanted more power, and this is why they introduced the bill in the way they did. They basically snuck it into the Legislature. The opposition, for the most part, was locked up, as were the media. They snuck back in, the ministers all with a smile on their faces.

This bill, according to really almost every objective observer, is not just an omnibus bill. It's not the fact that it has a label. As you've said, it touches almost every aspect of governance in Ontario. To pretend that that bill would have been law by now and that people should accept that kind of ordained, authoritarian view without question—and that is what this government has said, "We know what's good for you. There's a crisis. There's an emergency. We have to pass this"—where have you heard that before?

This is what, as opposition members, we felt we had to get across to the people of Ontario: that it wasn't so much that there were parts of this bill that we thought were abhorrent but the fact that a government with a majority had to go to seek more power, more unilateral power. If you look through this bill, you'll see that there are numerous areas where public participation is removed, that they are giving ministers powers they've never had before. The right to referendum in certain aspects of municipal areas is taken way. The right to appeal is taken away. The right to freedom of information is taken away.This is a party that used to pride itself on individual rights and principles of taking government out of people's lives.

We've had doctors in here in the last few days who are lifelong Conservatives; they're just appalled. We had a candidate who ran against Bob Rae. Dr Larry Edwards said, "This is not what I ran for."

I think what the opposition is trying to say to the people of Ontario, and I think what you're saying, if I'm correct, is, there is more at stake than just politics if this bill is passed or not. What's at stake is, what kind of government are we going to have if these powers are given to this government that feels they have all the answers and they don't want anyone basically, let alone the opposition, to have a say?

I guess the most abhorrent thing about it all was, they would have passed this thing before Christmas and all these powers would have been bestowed upon these ministers without any checks or balances and would have been a fait accompli. They would have been partying today all across the Tory caucuses in Ontario, because they thought they'd pulled one over on everybody. But thank God there are people like you, as I said, who had the commitment to democracy really, and it's not a hokey word but it's a word that I think we've come to understand is more important than deficits and more important than political parties.

So again, on behalf of a lot of people of Ontario, I think you're expressing a concern that a lot of people have had. As I said, it goes across party lines. Thank you for coming.

Ms Kent: Thank you very much for those words.

The Vice-Chair: The member of the third party, Mr Silipo.

Mr Silipo: Ms Kent, thank you for being here. I think one of the points that I just want to just get on the record is that when you got an answer to the question that you put to the government members about whether in fact these hearings have been useful and whether there will be amendments, I saw about four noddings of heads, and because noddings of heads don't make it into Hansard, I want to just get that recorded, which is, in effect, they did indicate that in fact the hearings have been useful, and they hopefully will have heard and will be prepared to make amendments.

But I think the point that we need to make is that these hearings wouldn't have happened, and the kinds of amendments that hopefully the government will bring forward wouldn't have been here, if we didn't have these hearings, because what the government initially wanted to do was to pass this legislation without referring any of it to committee. That was the initial proposal, and only after pressure from the opposition was the offer—

Interjections.

Mr Sampson: On a point of order, Mr Chairman: It's been stated on the record many times, and if I had Hansard here I'd read it back, that in fact there was a commitment for committee time in the negotiation process.

Mr Silipo: Mr Chair, that's not a point of order.

Mr Sampson: We absolutely had commitment to committee time.

The Vice-Chair: Okay, Mr Silipo, proceed.

Mr Silipo: If the members had allowed me to continue, I was about to make the point that only after pressure from the opposition did they agree to hearings. And initially the offer that they made of hearings was to have had us hold hearings last week and then the bill finalized this week. That was the second proposal. Then only after we took further action, which you described earlier, were these hearings in fact started this week and carried into January. That's the sequence of events.

When Mr Gilchrist was talking earlier about the earlier part of the session being a reason why they were not in fact able to bring this legislation in various pieces, which is the first time I've heard that explanation—it's interesting that no minister has used that explanation—the point that he didn't make was that in fact the reason that those procedures were used was because the government insisted on another massive piece of legislation affecting the rights of thousands of workers across the province being passed without any discussions in committee.

Mr Gilchrist: Yet there were 61 amendments from our side.

Mr Silipo: Yes, again, 61 amendments which were presented to us literally minutes before they were passed by the House. If that's democracy as the Tory government sees it, then I think we're in pretty bad shape.

I guess the only other comment is, it's true that 87% of people, as Mr Young said, earn under $50,000 and therefore will benefit from the tax cut. Absolutely, no denying that, but the point he doesn't also make is that the other 13% of Ontarians who make over that amount, particularly those who make over $85,000, will benefit to the tune of 60% of the value of that tax cut.

Ms Kent, thank you for being here. If you have any comments that you want to make—

Ms Kent: That's the point I'm making. May I respond, though there haven't really been questions?

The Vice-Chair: Mr Silipo, do you want Ms Kent to respond?

Interjections.

Mr Silipo: Yes, I do.

Mr Phillips: Let her speak.

Ms Kent: Okay, boys.

Interjections.

The Vice-Chair: Mr Phillips, Mr Silipo has the floor and he wants Ms Kent to speak.

Mr Silipo: I made a comment. I'd like Ms Kent to comment if she wishes to.

Ms Kent: Again, I don't want to get childish here, but honestly, this is like what I see in the playground at my kids' school.

The bottom line on this is that you people brought in a bill. Thank God, for whatever reason, we've had an opportunity to talk. There are going to be two more weeks of people talking, and all I want to know, as a Canadian, as a resident of this province—this is a very important, all-encompassing bill. My words were strong. I believe many people think this way. Please listen and understand that, whether you made a mistake or not, whether the proceedings were this or that, just take away from what people are saying here and please make some amendments and listen to what people are saying.

Please don't just think because you have a majority everybody from day one since you were elected agrees with absolutely everything you do, because they don't. When you start to talk about whether you're going to be able to take a library book out or whether you can't because you can't afford it, people are going to think differently than they did when they elected you.

All I'm asking is that we think about these things. Yes, we cut the deficit, but we have to go about it in a way that doesn't destroy our society. If it's emotional and you want to totally dismiss what I'm saying, at least I can go home and look at myself in the mirror and say I did my best. I tried to tell you what I think. I think I speak for many people and I just tell you that in many ways this is very immoral what you're doing here. Please change some of these things and don't just stand there saying, "Nyah, nyah, nyah, I'm right and I've got the biggest bat and you can't do anything about it." That is not Canada; that is a banana republic.

I travel on business to the United States. There isn't a time that I don't land at that airport that I don't say, "Thank God I live in this country." Because in the United States, it's a great country, it's wonderful they've produced great wealth, but very much there is a society of the haves and the have-nots.

I deal with people who are very, very fortunate and very élite, and their attitude is, "I'm okay, they're not, and it's got to be their fault." Well, I don't think we want to see that in this province. We want to have compassion. It's two days before Christmas. Let's try to remember that as Canadians we try to include people, we try to get along, we try compromise. Let's try to sit down and think of ways that we can improve this bill.

I don't want to sit here and think that my time is wasted. I want you people to listen to what I'm saying. I think you people are reasonable. You're not horrible; none of us is. Just listen to what people are saying.

The Vice-Chair: Ms Kent, we're out of time.

Ms Kent: Thank you. I made my speech.

The Vice-Chair: This subcommittee stands adjourned until 9 am, January 8, 1996, in Windsor, Ontario.

The subcommittee adjourned at 1755.

EVIDENCE SUBCOMMITTEE
STANDING COMMITTEE ON GENERAL GOVERNMENT

Chair / Président: Maves, Bart (Niagara Falls PC)
Vice-Chair / Vice-Président: Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Flaherty, Jim (Durham Centre / -Centre PC)
Grandmaître, Bernard (Ottawa East / -Est L)
*Hardeman, Ernie (Oxford PC)
*Maves, Bart (Niagara Falls PC)
Pupatello, Sandra (Windsor-Sandwich L)
*Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Wood, Len (Cochrane North / -Nord ND)
*Young, Terence H. (Halton Centre / -Centre PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:
Silipo, Tony (Dovercourt ND) for Mr Wood
Colle, Mike (Oakwood L) for Mrs Pupatello
Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître
Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Also taking part / Autre participants et participantes:
Gilchrist, Steve (Scarborough East / -Est PC)
Hastings, John (Etobicoke-Rexdale PC)

Clerk / Greffière: Mellor, Lynn

Staff / Personnel:
Pond, David, research officer, Legislative Research Service
Richmond, Jerry, research officer, Legislative Research Service

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Lundi 8 janvier 1996

LEGISLATIVE ASSEMBLY
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

Evidence subcommittee

Monday 8 January 1996

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Lundi 8 janvier 1996

The subcommittee met at 0900 in the Ramada Inn, Windsor.

SAVINGS AND RESTRUCTURING ACT, 1995
LOI DE 1995 SUR LES ÉCONOMIES ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficience du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

The Chair (Mr Bart Maves): Good morning. If I could ask the room to silence side conversations. Welcome to the standing committee on general government. Welcome to Windsor, legislators. Before we begin, Mr Cooke has a motion he'd like to table.

Mr David S. Cooke (Windsor-Riverside): Yes, Mr Chair. First of all, I might, along with my colleagues from Windsor, welcome everybody to Windsor. I don't know whether the Conservative members want to confirm that there were no hotel charges last night; they stayed the entire night at the casino.

I'd like to move the following motion:

Whereas there has been overwhelming public interest in Bill 26 and that 53 groups and individuals have requested to appear before the standing committee on general government in Windsor which far exceeds the 15 spaces available today for hearings;

I move that this committee recommends to the government House leader that when the House returns on January 29, 1996 that the order with respect to Bill 26 be amended and that the bill be returned to the standing committee on general government so that further public hearings can be arranged for the community of Windsor;

Further, that this committee recommends that the three House leaders meet as soon as possible to discuss this issue.

The Chair: Any comments?

Mr Cooke: If I might very briefly—I know we're pressed for time for the 15 spaces that do exist—I think it is obvious, and all of us have been in our constituencies over the Christmas holidays, that the arrangements that have been made for the public hearings on this bill are completely and totally inadequate. The public interest across this province is growing. In this particular community, as I said, we have 53 requests and we have 15 spots available; that's just on the non-health side. Thirty-eight groups or individuals have been rejected from being able to appear before this committee. This is not democracy; this is dictatorship.

As responsible legislators, this is not the proper way of making public policy, and I'm asking that the Conservative members of this committee listen to the public will, not just give the rhetoric as they did during the election about listening to the people of this province, and tell their government House leader that we've got to change this, we've got to come back to this community, we've got to listen to the rest of the people who want to be heard before this committee and then we have to respond to what people are telling us about this committee. I think it would go a long way to settling down and restoring confidence in democracy in this province and to the people who are here this morning if the Conservative members would listen to them and would approve this motion which simply recommends to the government House leader that the appropriate democratic action be taken. So I encourage members of the committee to unanimously support this motion immediately this morning.

Mr Ernie Hardeman (Oxford): Good morning, ladies and gentlemen. On behalf of the government, I'd like to say that the process in this bill has been quite public. There's been a lot of controversy about the process. All three party leaders agreed prior to these committee hearings that this would be the appropriate method for doing it, that in fact we would have two weeks of province-wide hearings and we would hear from the public. I believe if the opposition parties would spend more time hearing from the public and less time debating about breaking up the bill and discussing having more hearings, we may in fact have a lot more public input to the bill. In fact, the leader of the Liberal Party stated that with the two weeks of public hearings and the other week in Toronto she now has sufficient, and the public would have sufficient, time to fully discuss the bill.

I believe that we have a job to do. This committee is to hear the public across the province in the next two weeks, and we should get on with doing that. Then we should go back, as the House instructed the committee to do, with the changes that are required in the bill, with recommendations, and carry out the program that all three parties agreed to when the Legislature closed a number of weeks ago.

Mr Alvin Curling (Scarborough North): I'm going to support this motion. I think it's evident around the province that people want to be heard on this very complex bill, this omnibus bill, this huge bill. The manner in which it's been presented in this short period of time has hardly been adequate for people to address their concerns. It has a direct impact on their life; it has a direct impact on the financial situation of the economy of Ontario.

I'm promised by the Premier that he will have consultation. The fact is that, realizing this would have been rammed through by December 14, it would have been law already if not for the current opposition, who have insisted on having public hearings. Now we realize that a tremendous amount of people have come forward to present their concerns and they are not being heard.

I would recommend very, very strongly, before the members of the government side start telling us that we have our instructions, that extended time be given. We're going back to the House just for one day on January 29, when we know this will be rammed through. If we want a democratic country and a democratic province, I think what we should do is start hearing from the people. There are some tremendous presentations we've been hearing around the province so far, and as my colleague has just said, only 15 people will be heard today. That's a disgrace in itself. As a matter of fact, in Windsor alone we could spend a week to hear the people. We know that's not practical, but at least we would have some more time in which to go around the province for people to be heard.

I support this very strongly, that it get back to democracy, not this kind of dictatorial way in which this bill has been treated. I know the members of the Conservative side will take this message back to the House leader—this is what the House leader of the third party is saying—that we recommend to them that we have extended time and maybe January 29 is not an appropriate time in which to push this through. I support this very, very strongly.

Mr Cooke: Recorded vote.

Mr Gerry Phillips (Scarborough-Agincourt): Before you begin the vote, if I might, just so the people in the audience appreciate, the Liberal Party has two votes, the NDP has one vote and the Conservatives have the other votes. So when they see the vote take place they'll understand that not all of the members of the NDP or all the members of the Liberals will be able to vote on this. We only have two votes, the NDP only one vote.

The Chair: As divided by proportion in the House, the Liberals do have two, Mr Phillips and Mr Gerretsen, and the third party has Mr Cooke voting.

All those in favour of the motion?

Ayes

Cooke, Gerretsen, Phillips.

The Chair: All those against the motion?

Nays

Hardeman, Klees, Tascona, Young.

0910

Mrs Sandra Pupatello (Windsor-Sandwich): On a point of order, Mr Chair: If I could address the Chair for clarification whether a government spokesperson is entitled to speak to the public hearings today. Someone representing the government, would that person be on the list today speaking to public hearings?

The Chair: The lists were submitted by each of the caucuses from a list of all those who reported that they wanted to speak. As the House has agreed, that's the system we've agreed to. Whoever has been chosen actually speaks, and as far as party affiliation—

Mrs Pupatello: No, it's not party affiliation. Is a government representative entitled to speak to a public hearing?

The Chair: What do you mean by "a government representative"?

Mrs Pupatello: Let me explain. The gentleman who's up first here at 9 o'clock, as of last night at 11:30 there was a program aired on CHWI, a BBS program, where an individual was introduced and in fact was organized by government to represent the government's position on Bill 26. This same individual now is sitting here at the slot of 9 o'clock.

With some 40 groups who did not have an opportunity to speak at a public hearing representing a position perhaps other than government's, the difficulty is that this individual who's on today, Mr Charette, was in fact organized by the office of our Chairman, Jack Carroll, who is travelling with the other committee on general government today in Timmins. Jack was unable to participate in this program and his office organized Mr Charette to replace him.

I think it would be up to our group, and in particular I would speak to the Conservative members, to understand that with such limited time and so many groups in Windsor wishing to speak, an individual who just 10 hours ago represented the government and was introduced as such is now here today speaking to us at 9 o'clock. I think it's inappropriate and it's beholden on all of us to ensure that it really is due process and it at least has some semblance or appearance of being a bona fide public hearing.

The Chair: I thank you, Ms Pupatello. The only people who are ineligible to present would be government members themselves. This gentleman's not a government member himself.

Mrs Pupatello: Yet this individual was organized by Jack Carroll to represent himself.

The Chair: It's irrelevant. It's not Mr Carroll.

Now we'd like to begin the proceedings.

Mr Phillips: I just want to serve notice that perhaps at noon we could debate a motion. The mayor's office in London—I don't whether they've been in touch with all caucuses or not—did not have an opportunity to present in London and I think perhaps it might be appropriate that we extend the hearings for half an hour tomorrow night. I'd like to move that and we'll debate that perhaps at noon when we hear from our last witness this morning, extending the hearings for half an hour and having the mayor's office in London present tomorrow in London.

The Chair: I consider that motion tabled.

Good morning, Mr Charette, and welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You may use that time as you wish. You may wish to leave some time at the end of your presentation for questions. You may begin.

GERARD CHARETTE

Mr Gerard Charette: I should say that I am not a representative of the government. That was something styled by someone at CHWI. I have my own independent beliefs and this is what it's all—

Interruption.

Mr Charette: I would appreciate it if those in the audience would please respect my constitutional right to speak freely.

Interruption.

The Chair: We have many witnesses to hear today in a limited amount of time, and in deference to those people who have taken the time to put their presentations together, I'd appreciate a semblance of order so that we could hear them. I ask that of not only the people here to watch the proceedings but members up here at the table.

Mr Charette: Thank you, Mr Chairman. This is a text I prepared last week.

Good morning, ladies and gentlemen, my name is Gerard Charette. I should clarify that although I am a member of the taxpayer's federation, I do not represent that organization. I am not an authorized spokesman. However, I think it is important that the members of the committee be aware of those affiliations of mine that are relevant to my submission.

I am the former chairman of Ontario's X-ray safety commission. I am a member of the district health council community care committee. I am a member of Sacred Heart parish, chairman of the social justice committee. I am a member of the Canadian Taxpayers Federation. I am married, I am the father of one child, I am a practising lawyer and, yes, I did vote for Mike Harris.

I do not speak on behalf of any of these organizations. I am solely responsible for the submission you are about to receive. Here's my introduction.

Fundamentally, the issue in the omnibus bill is one of management. The issue is one of management and accountability. The people of Ontario have given the Harris government a resounding mandate, certainly a mandate significantly more potent than that given to the former government, and I do respect the former government.

On June 8 of last year, the people of Ontario recognized that the government and its system of finances was in serious jeopardy. They called upon the present government to get Ontario out of its almost overwhelming fiscal problem. Although it is certainly possible for reasonable persons to disagree over the powers that the government proposes, please consider the following:

(1) This government has throughout been absolutely clear to the residents of Ontario that it would act fast and decisively in dealing with the root causes of government waste.

(2) They are prepared to hold themselves accountable to the public now and at the next election. I believe this government will remain accountable and responsible as Ontario goes forward with restructuring. Everyone agrees we must restructure.

(3) Historically, Canadian governments have taken the easy way out by pretending to go through all the motions while failing to actually do something about the problems of Canadian government.

(4) This government is saying to all the people of Ontario: "You have asked us to act as your manager in dealing with challenges facing Ontario. As managers, we need the management tools to turn this province around."

(5) If you think about it, the present government is embracing its management responsibilities and is prepared to take all the risk of criticisms that go along with it. Here we are this morning, are we not? Is that not a breath of fresh air: a government that is prepared to hold itself accountable?

(6) If there is one thing we've learned about this government, it's that it governs quickly and decisively. It will not be afraid to make quick adjustments if those adjustments are needed in the future. It will continue to be responsive.

(7) Indeed, I would argue to you this morning, ladies and gentlemen, that it would be negligent for the government, as so many governments have been negligent in the past, to fail to assume the proper role of stewardship and management for the finances of this provinces.

Historically, Ontario has suffered from a series of governments which would much rather talk about the problem than do anything about it. They have continued to tax, spend and borrow at all levels. They have failed to root out the causes of waste. In so doing, they have ignored the interests of the residents of Ontario and of their children and grandchildren.

It has been alleged that this government should be criticized for failing to consult adequately, and we've heard that this morning. Let me talk to the issue of consultation.

I sat as chairman of Ontario's X-ray safety commission for about six years. During that time, I witnessed a continuous effort on behalf of special interests to delay the implementation of needed changes. Last week, I went through my old files and I pulled out just two of many past consultations, two examples.

The first one is attached to schedule A to the submission. It's a little article from the Ontario Medical Review, and I've got a complete copy in my submission. Let me read this. This is from an 1988 article announcing the Scott task force on the provision of medical services:

"A joint Ontario Medical Association/Ministry of Health task force has been formed to analyse and make recommendations on factors influencing the use of medical services and how they are provided. OMA President" Dr So-and-so "has said that he welcomes the opportunity to continue to work constructively with the ministry.

"'We want to continue our cooperation and address the concerns about the cost of health care in Ontario.' Graham Scott, a lawyer and former Deputy Minister of Health and of Environment, is chairing the task force.

Representing the OMA is" So-and-so "and representing the government are" So-and-so. It goes on to highlight all the factors that the task force is going to look at.

Turning down towards the bottom of page 6, it says, "Once these patterns and factors have been documented by the task force, the task force will develop a series of practical recommendations designed to improve the efficiency of the system and"—get this—"modify behaviour that has resulted in inappropriate use of health care resources in Ontario." This was eight years ago.

Chairman Scott goes on to say, "The task force will consult widely with all interested parties, including hospitals, nurses, health care and other health care professionals." My, my, haven't we heard that before? What happened to our consultation eight years ago? Very little.

If anything came out of the Scott task force in 1988—little came out. We were about $37 billion in debt eight years ago. Now we're almost $100 billion in debt.

Interruption.

The Chair: Could we have quiet, please. Thank you.

Mr Charette: The fact is, we have had just about all the consultations we need. Consultation has been going on for years, but nobody's been doing anything about it. Special interests have used the red herring of consultation as a method of stonewalling important changes that need to be made, and need to be made quickly.

Interruption.

The Chair: Go ahead, Mr Charette.

0920

Mr Charette: Thank you. I'm going to need some extra time, Mr Chairman.

You can see; this is attached to your schedule. These are my handwritten notes. I asked my secretary to open a subfile on the Task Force on the Use and Provision of Medical Services. I kept this because I thought it was important.

Interjection: It's the wrong hearing.

Mr Charette: It's not the wrong hearing. We're talking about consultation hearings.

Here's another gem from 1988, and this is a great one. It's at the top of page 8. This is a speech by Dr Martin Barkin, who was the Deputy Minister of Health in the former Liberal government under Elinor Caplan. Dr Barkin spoke to the Ontario Hospital Association's financial officers in October 1988, and I was at that meeting. I remember, I came out of that meeting so thrilled that government was finally going to do something about the waste, but it hasn't been done. Here we go. He's talking about where to look for solutions, and here's what he says:

"Wherever one looks for solutions, what is desperately needed is a return to stringent quality assurance and outcome review. If it works, we should pay for it. If it does not contribute to good health, we should not. The real question remains, is someone really getting better by what we do?"

Dr Barkin goes on to discuss numerous American studies which show that many testing procedures do not actually help people get healthier. He then looks at Ontario, and I quote from Dr Barkin's speech, "A study of tests used to measure the blood levels of the heart drug Digoxin at a hospital in Ontario found that in 200 consecutive tests"—that's 200 times up to bat—"ordered by physicians, (1) the reason for ordering the test could not be determined in 82% of the cases." In eight out of 10 cases, no one knew why the test was being ordered, let alone even thinking about who was going to pay for it. My God, what are we?

"(2) In addition, only 36% of the results appear to have been adequately recognized." This means someone got a test result and didn't know how to interpret it. That's a lousy test. If that weren't bad enough, the fundamental conclusion is this: "In only one result in four"—that's 25%—"was the reading of the test followed by an appropriate decision." That's a 75% failure rate: 200 times at the plate and we failed 75% of the time.

Interjection: It sounds like the Harris government.

Mr Charette: Here they are. They're all here now. You can hear them.

The point is this: We've been talking about consultation. I was so enthused when I walked out of that meeting with Dr Barkin, I said, "My God, the Liberal government's finally going to do something about this." We're eight years down the road and it hasn't happened, and it was their own deputy minister who was talking about these things.

Let's talk about it in simple terms. Just imagine that you've got the manager at the Chrysler minivan plant here in Windsor. He gets a call from the president of Chrysler Canada and the guy says, "How are things going?" He says: "Oh, fine. By the way, we've got a 75% failure rate on some of our engine parts." "What?" "Oh, yes. I've been meaning to tell you this for eight years; we've had the same problem for eight years." I'll tell you what. Everyone in this room could go out and watch the roof blow off that minivan plant. There would be a firestorm in that organization.

Why is there not a firestorm in government? Why are we not seriously putting aside all politics and getting down and doing the job that we all know has to be done?

Let me make my closing remarks. Members of the committee, I thank you for your patience today. Let me end my submission on a positive note. I believe we live in one of the greatest jurisdictions on the face of this planet, and what's more, we have the best people, nothing but the best. I'd like to say this. We have good people, in fact we have great people, who are caught in a bad system. If that's not enough, we only have to go back two generations, to the generation of my parents and my in-laws and to their parents. They had the can-do mentality. Furthermore, they had the following characteristics: They had a respect for hard work; they had a sense of gratitude for the benefits they received, meagre as those benefits were; and they had a recognition that hard work, no matter how humble and how low the pay, always leads to greatness and to other rewards.

There's the old story of the Emperor Nero, who played his fiddle while Rome burned. Ontario is on fire and it's time we all put away our fiddles. It's time we get down to work and solve these problems honestly and sincerely. Please support this bill. I thank you for your patience. If you have any questions—

Interruption.

The Chair: Ladies and gentlemen, I must reiterate that each time we have interruptions, and if we're forced to have recesses because of interruptions, that's going to eat into the time of the presentations. I would appreciate it if we'd have a level of decorum.

We have 15 minutes remaining for questions, five minutes per caucus. We'll start with the opposition side.

Mrs Pupatello: Mr Charette, last night, 10 hours ago, you were introduced on a television program, CHWI, as representing the government, as the government's spokesperson. How do you have any credibility to come here today and speak from any point of view other than the government's?

Mr Charette: Mrs Pupatello, a lot of things were said at that debate last night—because I debated you, and you know it—that I didn't have time to react to. I'm telling you right now, Sandra, you made a comment at that debate about the level of my income. You came into that debate and you complained about the government—

Mrs Pupatello: Answer my question.

Mr Charette: You complained—

Mrs Pupatello: Answer my question.

Interruption.

The Chair: A 10-minute recess.

The subcommittee recessed from 0926 to 0935.

The Chair: Thank you. I'd like to reconvene. Mrs Pupatello, you have four minutes remaining.

Mrs Pupatello: Very quickly, with respect, Mr Charette, your presentation did not once mention the words "Bill 26," and that indeed is the purpose of the hearing today. I understand, though, given your previous remarks, that you don't have a problem with, for example, powers within the bill that allow ministers absolute and authoritarian powers to make unilateral decisions like the amalgamation of townships without the consent of or in spite of the people within that particular township. Is that true?

Mr Charette: No, we are not advocating an arbitrary power. Let me give you an example.

Failure of sound system.

Mr Charette: Okay, is it on? It's on now. Look, the issue is simple; it's one of management. Everyone's been pretending—that's what my submission has been about this morning—to deal with problems. Decisions have to be made; they have to be made rationally. The government will exercise any powers it has. I have confidence in this government that it will do that. I'm sorry, it's been so long—give me your question again.

Interjections.

Mr Charette: Mr Chairman, they have to be fair with me. There have been so many interruptions. I'm sorry.

Mrs Pupatello: My question was that in all of your presentation today on public hearings regarding Bill 26, you failed to mention Bill 26 today in your presentation.

Mr Charette: Mrs Pupatello, it's clear that you have not heard or have not listened to my submission. I'm talking about the issue of consultation, which frankly is central to this debate, because the member from the New Democratic Party raised it this morning. I'm telling you, he was not out of motion, and I'm telling you—would you please listen to me, Mrs Pupatello; I'm answering your question—the risk here is that we are proceeding too slowly and not quickly enough. That's the risk. I know there's risk both ways.

Mr Dwight Duncan (Windsor-Walkerville): Mr Charette, you've made some submissions today, but how can you suggest there's adequate consultation when there are public sector unions whose pensions, whose livelihoods, whose very way of doing business is threatened without an opportunity to speak? I think there were some 15 groups in Windsor alone that wanted to speak, and not one of them has been given the opportunity today.

Mr Charette: Let me answer you this way. Eight years ago we were $37 billion in debt.

Interjections.

Mr Charette: May I answer the question? May I please answer the question? That's $37,000 billion; just roll that around. Today we're $100 billion in debt. Mr Duncan, we know what the problems are. The government, as I demonstrated this morning, everyone in this room, knows what the problems are.

Mr Duncan: Mr Charette, I know a little bit about getting government finance under control; my colleagues here know something about it. There are other ways of doing it than this. What we've asked is, how can you stand here and suggest there's been a fair opportunity for consultation when there are vast numbers of groups in this community alone that are not getting the opportunity to even speak before this committee for five minutes?

Mr Charette: The reason is this—

Mr Duncan: How do you suggest that's consultation?

Mr Charette: Let me answer the question.

Mr Duncan: That's not consultation.

Mr Charette: Because the special-interest—

Mr Duncan: If we did this at city hall in Windsor, we'd be run out of town, legitimately.

The Chair: Thank you, Mr Duncan. The time—

Mr Charette: The answer is this, sir—

The Chair: Sir, I apologize, but we have a certain amount of time for each caucus to ask questions. We've come to the end of the—

Mr Charette: Okay, I've answered the question.

Mr Cooke: Just a couple of questions, because I note that while you're not specifically representing the Canadian Taxpayers Federation, you're part of that organization, so I'd like to focus in on some of the taxing powers that are granted municipalities in particular under this legislation.

If in fact your major focus is restructuring of government and bringing government costs under control, and if in fact a piece of legislation were brought into the Legislature that said municipalities can bring in user fees for a whole host of new things, everything from swimming pools to libraries to virtually—I mean, there's even a suggestion by one of the mayors in Toronto, in North York, that if your car catches on fire in North York and this legislation is passed, they're going to charge $300 if you're a non-resident to call the fire department for a person who drives that car.

0940

There are also legal opinions from a number of leading lawyers working for municipalities, the lawyer for the city of Toronto, the mayor of Mississauga, all across the province, that municipalities will be able to bring in an

income tax, a gas tax and a sales tax. If in fact the major restructuring of this bill is to lower the provincial deficit, grant a 30% income tax cut at the provincial level and then hike up taxes and user fees at the municipal level, as a member of the taxpayers' organization, would you still support this legislation?

Mr Charette: Oh, absolutely, and Mr Harris has not broken his promise at all.

Interjection.

Mr Charette: Let me answer my question, Mr Cooke. May I please answer the question, Mr Chairman?

The Chair: Quiet, please.

Mr Charette: What this present government is saying is this: "We will take responsibility for provincial matters in those areas we are moving forward with restructuring. We are cutting expenditures at the provincial level because that's where they should be cut. And what's more, we are suggesting that taxpayers deserve a tax cut at the provincial level." The Harris government is also saying something at the local level. What it's saying at the local level is this: "We also think expenditures should be cut at the local level, and that's why we are cutting our transfer payments to municipalities and other local organizations." But—

Mr John Gerretsen (Kingston and The Islands): Mr Chairman, you want to file that briefing note, by the way?

Mr Charette: Mr Crozier, let me please speak.

Mr Bruce Crozier (Essex South): That's Mr Gerretsen; I'm Mr Crozier.

Mr Charette: Mr Gerretsen, let me please speak.

Mr Cooke: All right. Could you, very briefly—

Mr Charette: Mr Chairman, may I please answer the question? The government is also saying that expenditures should be cut. However, they are not going to try to micro-manage the province at the local level. Decisions about local expenditures must be made at the local level, and that's why we are giving flexibility to governments at the local level and at the same time warning citizens that they must be careful and get involved in local decisions. That's the best a government can do for me. No government can offer me a foolproof system. We must make decision at the closer level.

Mr Cooke: If I might get on, I've heard Mr Harris's speeches and I don't need to have them parroted back to me.

Mr Charette: That's not Mr Harris. He hasn't seen that. That's my speech. That's my speech, Mr Cooke.

Mr Cooke: In this particular community we have gone through a process whereby the community, our local councils, our labour organizations, our business organizations, all through the district health council, have been involved in reorganizing and restructuring our health care system together—together—and they have done that, restructured it at the local level. Now we have a piece of legislation that would say: "To hell with the district health councils. To heck with anything that happens at the local level. The Minister of Health, for the first time in the history of this province, is going to have power unto himself, accountable to nobody, to close hospitals."

How can you, as a person who's been involved in this community, support that kind of centralized power in Toronto to dictate to people in Windsor how we organize our health care system?

Mr Charette: I'll tell you why, Mr Cooke: because I've sat through my share of useless meetings at the local level, and let's face it, they're all good people here. I'm a member of the local district council committee and I've seen the stonewalling at the local level. That's my answer, sir.

Interjection: Resign now.

Mr Cooke: Mr Chair, I don't know why he doesn't resign from every organization he's involved in at the local level because they're all such useless organizations.

The Chair: Mr Cooke, thank you. We now must move to the government side.

Interruption.

The Chair: Please, ladies and gentlemen, we must move to the government side.

Interruption.

The Chair: Order, please.

Mr Frank Klees (York-Mackenzie): Thank you, Mr Chair. Mr Charette, in the course of this morning there were a couple of comments from the audience relating to the fact that this bill would hurt the poor. As a lawyer who's been practising in this community, you represent individuals, no doubt, as well as businesses. In your view, does this bill negatively affect the livelihood of individuals in this community or do you feel that fundamentally this bill would actually support them?

Mr Charette: I think it really does help. It's going to help to free people from the burdens of government. I think it's going to offer the taxpayers of this province a cut that they deserve.

Let me tell you this thing, Mr Klees. I tell you, every factory worker, every hotel and restaurant worker, every farmer, every mining and lumber worker, every transportation worker and every casino worker in this province deserves a tax cut; don't let anybody tell me they don't.

Interjection: But you're adding user fees.

Interruptions.

Mr Klees: Mr Chair, with your permission, I'd like to perhaps just address a couple of comments in general to the people who are attending here. We really are trying to get input. I just want to advise you that with every insertion that you make into these discussions you are impeding the consultation that we are trying to make.

Interruptions.

The Chair: Is that your question?

Mr Klees: Yes. Mr Charette, with regard to the tax cuts that you refer to, a great deal has been said over the last number of weeks about how the tax cuts themselves will be negative in the recovery of the province, and that those moneys that we would put into the tax cuts should be put towards the deficit rather than returning them to the people in the province. Could you comment on that, please?

Mr Charette: Look, I think what the Harris government or this government is saying is that every dollar we put into a taxpayer's pocket is a dollar that's spent more wisely. These people, with all respect, can spend their own money more wisely, and if they would just put it into the hands of their members, things would be a lot

better, and that's why I think it's going to help the province of Ontario.

Mr Klees: I have another question, Mr Charette, with regard to the transfer of authority down to the local municipalities. The accusation has been made that by allowing municipalities more powers to charge user fees, this in fact is a broken promise by our government. Do you feel that the imposition of user fees by local municipalities can be a positive thing for the overall fiscal circumstances of our province?

Mr Charette: Yes, that's right, Mr Klees, and that's what I tried to talk to Mr Cooke about. The fact is that as local citizens we have to take responsibility for local issues. Let's put it this way. I have zero control over Ottawa as a citizen. That might as well be on the moon. Toronto is tough, but at least, when I've got local decisions about expenditures and taxes being made in Windsor, I can go down to a municipal accountant or to a municipal council meeting if it's important enough for me, and I intend to do that.

Thomas Jefferson said that the price of freedom is eternal vigilance, and what this government, Mr Klees—

Interruptions.

Mr Charette: Mr Chairman, may I answer the question?

The Chair: I'm sorry, Mr Charette, but your time has come to an end. I apologize for the interruptions.

Mr Charette: Thank you. That's okay, I understand.

0950

LEGAL ASSISTANCE OF WINDSOR

The Chair: May I please have Marion Overholt come forward. I'd like to welcome you today to the standing committee on general government. You have 30 minutes today to make your presentation. You can use that time as you see fit. You may wish to leave some time at the end of your presentation to take questions from the three caucuses.

Ms Marion Overholt: First of all, I would like to thank the committee members for coming to Windsor and for travelling to other regions of the province. I would particularly like to thank the opposition parties for calling the government's attention to the need for extending the time for public hearings. There are many in Windsor who have requested an opportunity to speak and have not been given the opportunity. It's clear to the people of Ontario that these hearings need to be extended yet further.

In Windsor, on January 20 and 21, at city hall chambers, there will be an opportunity for the people who have not been able to present today to make presentations, and those presentations will be forwarded to this committee for its review. These alternate hearings have been arranged because we believe that it is vitally important for the government to hear from as many people as possible because of the very serious provisions in these proposals, and we also believe that it is vitally important for as many individual citizens—I'm sorry. Please, do I have your attention?

Interjection: Apparently not.

Ms Overholt: You were speaking to this group about paying attention during the hearings, and I would appreciate it if I have your attention.

As I was saying, these alternate hearings have been arranged because we believe it is vitally important for the government to hear from as many people as possible because of the very serious nature of these proposals, and we believe that it is vitally important for as many individual citizens to understand what is contemplated by these proposals because of the immense impact these changes will have on their daily lives.

I would also advise you that today at noon, in the park adjacent to this hotel, there is a weekly silent prayer vigil taking place, where people are coming together to pray for this government's deliverance.

I turn now to a review of the proposals contained in the omnibus legislation.

There are four fundamental rights which are substantially altered by this legislation. I will read you them in the following order: First of all is the right to know; secondly, the right of publicly appointed and elected bodies to manage their own affairs in a manner that is directly accountable to the people; thirdly, the right of the Legislative Assembly to receive, review and revise proposed legislation; and fourthly, the right of every citizen to participate in a healthy community where the rights to basic service and care are protected and safeguarded.

First of all I will speak about the right to know. The freedom of information legislation was originally enacted to allow ordinary citizens the opportunity to obtain and review government documents concerning government decisions which affected their lives. Requests for information that would violate the economic interests of Ontario, interfere with law enforcement or place a person's health or safety at risk were expressly excluded from the access. Therefore, the best interests of government and the individual citizens had already been safeguarded by this legislation.

This government's proposed amendments would allow the head of an institution from which the information was requested to dismiss that request for information on the basis of its being deemed to be "frivolous or vexatious." Neither term is defined by the amendments. There are no guidelines to determine what constitutes a "frivolous or vexatious" request. Therefore, how will this determination be made? The request-for-information form does not disclose any reason for the request, so the determination will be made on the basis of the impact of that request on the institution.

Was there any need for this revision? The Information and Privacy Commissioner had already proceeded to court in cases where the requests had proven to be without merit, so why would this function now be delegated to the head of an institution instead of being subject to the independent review of the courts of law?

Of similar concern is a provision to assess fees for the filing of an application and appeal. These proposed changes here, as in other instances, are so vague and undefined that one wonders if the real intent is to prohibit the ordinary citizen from gaining access to government documents.

These amendments effectively undermine the legislated purposes of the act which are contained in the legislation. These purposes are that information shall be available to

the public; secondly, that exemptions shall be limited and specified; and thirdly, that the decision of the disclosure of government documents should be reviewed independently of government.

At a time when this administration is contemplating a massive restructuring of government services, greater access, not diminished access, to information is required. If you are acting in the public's best interests, then you have nothing to fear by recognizing the citizens' right of access to information.

Turning now to the right of the Legislative Assembly of the province of Ontario to receive, review and revise proposed legislation: This right is as important to a democracy as the right to vote and to run in an election, which must be called at least every five years. The Canadian Charter of Rights and Freedoms guarantees the right of legislative assemblies to be called into session on an annual basis. To give substance and weight to this charter right, it is essential that the Legislative Assembly be permitted to make democracy work. If cabinet usurps this function, our democracy is seriously weakened.

Your proposed changes would invest cabinet, and in particular the Minister of Health, with virtually unlimited powers with respect to the funding, operation, closure and amalgamation of public hospitals. This is yet another example of this government broadening the criteria to make such decisions instead of requiring specific adherence to defining regulations. The minister's decision under this legislation must be made only in reference to the public interest, which again is not defined.

I am here to tell you that in this community the hospital boards, the unions and the community have shown the government the wisdom in leaving these decisions in the hands of the local community, as they are the only ones that are best able to know and assess the needs of that community. Why would you usurp this function and give it to the minister with only a vague reference to public interest?

Of serious concern is the clear determination of this government to shield its ministers from the legal liability that would flow from the exercise of power. This confirms our fear that this government is attempting to seize the powers but not the responsibility, nor the accountability, that would flow from the exercise of those powers.

When we examine the rights of publicly appointed and elected bodies to conduct their own affairs, we see that this legislation reveals an intention to allow the municipal government the rights to alter or eliminate local boards such as the public utilities commissions, transportation commissions, public library boards, health boards and the like. It is of utmost significance that these amendments require the municipalities to provide information to the minister regarding the efficiency and the effectiveness of the municipalities' operation. This emphasis distorts the true assessment of service, looking only at the economics and not the necessity and the quality of the service provider.

I am here to tell you that in this community, as in other communities across North America, citizens and local governments and agencies are practising cooperative coordination of service in the form of healthy communities projects. These projects aim to coordinate service delivery to the local community to avoid duplication, waste and to ensure that the essential needs of the community are recognized and met.

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The core element in all of these projects is the principle that citizens must be able to actively participate in the decisions that will affect their lives. Why then would this government usurp the authority of local boards and thereby deny the community the right to participate in the creation of community within their towns and cities? Your proposals do not dismantle big government. They create top-heavy government and deny the access of ordinary citizens and legislative representatives to influence decision-makers, whose critical decisions will be made without public participation, debate or review.

This brings me to the last right which I wish to discuss, which is the right to participate in a healthy community where the rights to basic service and care are safeguarded and protected. To infer that restructuring will save the taxpayers money is illusionary when the local municipalities are being targeted as the primary service delivery agents. Because they cannot run deficit budgets, property taxes, user fees and poll taxes will be assessed against the taxpayer.

What will be gained as a result? Only greater economic disparity between the regions of Ontario and between the citizens themselves. People across Ontario will not be able to access uniform services, nor be entitled to basic minimum standards of access and delivery of services of health care, child care, recreational and other municipal services.

It is not in the best interests of Ontario to further the gap in the standard of living between the rich and the poor. In Canada now, the richest one fifth of the population receives close to one half of the income. The poorest one fifth receives 3.3%. Low-income people will not be able to afford garbage collection fees, library charges, recreation facility levies and park entrance fees, the services that promote individual and community wellbeing.

User fees for prescription drugs will prohibit low-income people from receiving the medical aid when they require it. As a result of drastic reductions through welfare and mother's allowance benefits, parents already choose between paying the rent and buying food. To require them to pay prescription costs without reimbursement will only increase their suffering. Further, the depression rate among mothers whose income is less than $20,000 per annum is at 60% already. As a society, it is counterproductive and immoral to restrict medical care to the financially eligible rather than the medically needy.

Further, by amending the pay equity plans, pension plans and arbitration procedures, this government is undervaluing the contribution of these workers and diminishing the essential services we all depend on, and as a result we collectively will suffer.

I will conclude with a quote from a great Canadian, who said:

"It is through the formation of democracies that people determine standards of living, access to resources and wealth of a country and the conditions under which

business will be conducted. A nation is made up of the history, customs, traditions and laws of the families and communities who live in it, and it is more than an economic unit. To surrender that history and that common heritage to economic forces is to define Canada only in terms of the bottom line—the corporate vision."

In joining with Maude Barlow, our message to this government is simple: We will not surrender.

Interruption.

The Chair: Order, please. We'll begin the questions with Mr Silipo.

Mr Tony Silipo (Dovercourt): Thank you, Ms Overholt, for your presentation and I think for painting a very clear picture of some of the impacts that Bill 26 and some of the other policies of the government will have on the average citizen of the province. I want to focus in on the last area that you talked about and add another piece and ask for your comment.

One of the things that we believe is driving, very clearly, probably the thing that is driving most directly the government's agenda is this intent on shifting resources, shifting power, shifting money from the hands of those who are not as well-off to those who are in fact the most well-off. What we see in the tax cuts, which by even the government's own estimates are going to require about $4 billion—we think it's closer to $6 billion—in further cuts in order to find that money, because it's money that is borrowed, just like the rest of the money that is borrowed, one of the most astounding things, when we look at the distribution of those cuts, is that 13% of the people who are among the highest income, those who make $85,000 or more, will reap the benefits of over 40% of the value of those tax cuts. So that means that again, even through those tax cuts, we clearly are shifting more of the public resources and the public funds into the hands of those that one could argue need them the least.

At the same time, through the creation of a whole new host of taxes, direct and indirect, at the municipal level, through user fees, through the ability of municipalities to raise a whole variety of taxes, including a head tax, we are seeing in effect a compounding of that shift of that kind of taxation on to the hands and shoulders of those who are least able to pay.

Given the kind of clientele that you deal with at your clinic, what kind of impact is that going to have on the people of Windsor, in particular people you deal with?

Ms Overholt: It will have an immense impact, because people are having a tremendously difficult time coping with the cuts that have already been levied against them in their benefits, and what this government has failed to understand is that in paying welfare recipients adequate benefits, it means that every dollar you give to them goes back into the community. They support the local economies, they support the drug stores, the local grocery stores. They're not taking the money out of the country to have Florida vacations, such as the people who are going to receive the tax cuts will.

Now, because people are having such a tremendously hard time and struggling with the cuts that have already been levied against them, when you give the municipalities the right to levy fees that are going to hit them in the same way as any other person, that's a very regressive form of taxation, and you will see them not being able to take their children to the park, to recreational facilities, not to be able to afford basic garbage collection, because they have no spare income. It's all going to food and rent. So it will have a very severe effect.

The Chair: Thank you, Mr Silipo. For the government side, Mr Young.

Mr Terence H. Young (Halton Centre): I'd like to ask you, did you know that the restructuring around Bill 26 puts 140,000 new low-income people on the Ontario drug benefit plan?

Ms Overholt: But if you look at the drug benefit plan, you are going to charge them a fee to have a prescription filled. If you have a prescription that's not covered by the Ontario drug benefit plan, then you are required to pay the difference between what the prescribed drug is and what the similar drug is under the plan. There's a continuing possibility that the drugs covered on that plan will again be cut back—

Mr Young: But do you see that's a positive thing and did you know that 140,000 brand-new people are going to be able to receive free drugs, with only a $2 charge?

Ms Overholt: Well, it's not an only $2 charge when you don't have the money, Mr Young.

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Mr Young: Do you see that as a positive thing in Bill 26 is what I'm trying to get at. Because I think it's wonderful. I'm really pleased that—

Ms Overholt: But I think you have to look at the total impact. If you look at the reason why people are on assistance and on disability pensions, it's usually because they have had a workplace accident that they're not being adequately compensated for. They've been injured, so their drug costs are an important issue for them.

Mr Young: Thank you. Okay.

Ms Overholt: So putting a charge in there is not going to be helpful.

Interruption

Mr Young: No, I didn't. I didn't get the answer, but it's okay, I'll ask a different question.

With regard to your participation in the community, I totally support the idea that the local government controls local boards. Let me give you an example.

Two weeks ago, and I think everyone in this room will sympathize with this, Leslie Mahaffy's father was on the TV and he was begging the local library board to take a ghoulish book about his daughter's rape and murder out of the library. He was in tears and they turned him down. Now he has no recourse whatsoever. If that library board were controlled by the local council, he could go to his local councillor and mayor and say: "Help me with this situation. Come on. Get this library board in control and get them to respond to the community."

That's response to the community. Doesn't that make sense to you?

Ms Overholt: Mr Young, you know what I'm afraid of? I'm afraid of giving more power to cabinet ministers like Mr Tsubouchi—

Mr Young: Please answer my question, because I'm really interested in your answer to my question.

Ms Overholt: I'm answering it. I listened to you. Could you please listen to me?

Interruption.

Ms Overholt: We're talking about the exercise of power and who should have it.

Mr Young: Of local boards, yes.

Ms Overholt: Your position is that if local boards had more autonomy, they would make better decisions.

Mr Young: No, that they'd be responsible to a local government, which is making them more democratic.

Ms Overholt: They are. They are responsible. Those boards are all appointed or elected locally.

My point is that I am really concerned about the exercise of power when we have people in cabinet like Mr Tsubouchi, who signs regulations without reading them. If you expand that role and allow greater opportunity, that is a real problem for this province, Mr Young.

The Chair: Thank you, Mr Young. Ms Pupatello.

Mrs Pupatello: We understand that this government is laying out the plan so that it will be every man for himself. You were mentioning library fees, for example. Let me tell you about comments that the Minister of Municipal Affairs has made—and he understands that indeed local municipalities will maybe not be encouraged outright by him, but he understands that they may charge user fees for such things as libraries, library fees, user fees etc. He said that he was encouraged that one town, one city, was planning to seek corporate donors to sponsor such activities as library use, ice skating, swimming pools and public pools for underprivileged children. This is a minister speaking in terms of what he sees communities doing after the implementation of the bill. How do you feel about that?

Ms Overholt: I think if the corporations were paying their fair share of tax, we wouldn't be needing them to make charitable donations such as that.

Mrs Pupatello: Just as a quick supplement to that, I think we all saw this book that came out during the campaign, where, I quote, "Under this plan, there will be no new user fees." How do you feel about that today?

Ms Overholt: It's clear the legislation contemplates user fees and I don't know how this government thinks otherwise. User fees are going to be a prohibitive cost to people accessing basic services, especially low-income people.

Mr Duncan: Marion, quickly, you have made reference—it's a point I haven't heard yet in the hearings—about the disparities between municipalities and how the assessments in different municipalities are going to be affected. It would be my submission that the amendments contained in the bill are such that a city like Windsor, where you have an urban core with a high level of poverty, is going to be disproportionately affected. Would you agree with that in terms of its impact, and what comments would you offer with respect to the whole notion of breaking down the system of how we equally share provincial funding across the province?

Ms Overholt: Yes, I'm very concerned about that, because I think the different communities in Ontario are in very different states of provision of services and ability to provide those services as a result of losing provincial dollars. So if you put more authority in the hands of municipalities without setting out some basic standards, you are going to find some areas of Ontario that are not going to be able to look after the needy in their communities. Living in Windsor, we are ever aware of what happens when you do not provide an adequate social safety net. We only need to look across the river and see the devastation and waste in human potential that is in the state of Michigan because their government has failed to provide basic services to low-income people. That is exactly where this government is heading.

The Chair: Thank you very much, Ms Overholt, for taking the time to appear before the committee today.

WINDSOR AND DISTRICT CHAMBER OF COMMERCE

The Chair: Can I please have a representative from the Windsor and District Chamber of Commerce come forward? Good morning, sir, and welcome to the standing committee on general government. This morning you'll have 30 minutes to make a presentation. You may use that time as you wish. You may wish to leave some time at the end of your presentation to field responses and questions from the three caucuses. I'd appreciate it, for the benefit of the members and Hansard, if you'd read your name and organization into the record. You can begin any time.

Mr Larry Sandre: Thank you. I'm just getting my voice back from a bout of the flu and some pneumonia, so bear with me.

Good morning. My name is Larry Sandre. I am the president of the Windsor and District Chamber of Commerce. I am pleased to make this presentation before the committee today on behalf of the chamber on Bill 26, the Savings and Restructuring Act. My intention is to give you a brief overview of the position of the chamber regarding the government's omnibus legislation.

The Windsor and District Chamber of Commerce is an association representing over 1,000 business and professional members. As part of our mandate, we represent the interests of our business community with respect to changing government legislation and policies. Our goal is to establish effective communications between business, labour and government in fostering a better economic climate throughout our community.

Our members are drawn from all areas of our district and cover a wide cross-section of business. They include small, medium and large employers who provide thousands of jobs and one of the highest standards of living in the world. Our expansive and diverse membership and our grass-roots, democratic model of government solidify the position of the Windsor and district chamber as the voice of business for our community.

The Windsor and District Chamber of Commerce supports the general purpose of Bill 26, which is "to achieve fiscal savings and promote economic prosperity through public-sector restructuring, streamlining and efficiency." It is clear that government restructuring is long overdue. With deficits averaging near $10 billion annually over the past four years and an accumulated debt of more than $90 billion, it is imperative that the Ontario government take strong measures to reduce spending and get its finances under control.

The Windsor and District Chamber of Commerce believes that the role of government in today's economy is to create a climate that will encourage people to go into business, to help businesses grow and to attract new investment and jobs. In the past, government has been all things to all people. Today, we have realized that government just cannot afford this any more.

Restructuring government and restoring confidence in the financial strength of the province is essential to the future of our economy. As you may know, many of our members have had to restructure their operations over the past decade to stay competitive in this increasingly difficult marketplace. The ones who have adjusted have successfully emerged from the recession of the early 1990s. The ones who did not adjust are unfortunately no longer with us.

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The Windsor and District Chamber of Commerce believes that the provincial government must also adjust to the changing times and demands which are being placed upon it by today's modern society. The government must realize that we cannot afford to continue running up $10-billion deficits without seriously jeopardizing the economic future of our children and our grandchildren.

We support the purpose of Bill 26 because it provides the mechanism for the provincial government and municipalities to commence this restructuring effort, improve the financial strength of the province and to send a strong message that Ontario wants to work with the private sector to create jobs and foster economic growth.

We realize that this is not the first instance of omnibus legislation. The previous government introduced at least five such bills. The largest was Bill 175, the Statute Law Amendment Act, government management and services, 1994, which amended 139 different statutes and involved 14 different ministries. By comparison, Bill 26 affects only 47 statutes and involves 10 ministries. We also realize that prior omnibus bills were passed quickly in the House, some in as few as three days.

We understand that about four weeks of hearings on this Bill 26 are planned and under way. However, we feel that this period of time to allow fully informed stakeholder input is still too short. As an example, we have separately suggested to Minister Witmer that a period of six months be considered for public consultation on the proposed changes to workers' compensation.

Bill 26 is very broad and proposes amendments to many pieces of legislation affecting our members. I would like at this point to focus on the proposed changes to the various acts that will have the most impact on our members.

Proposed changes to the Municipal Act: Schedule M of Bill 26 contains amendments to the Ontario Municipal Act and various other statutes related to municipalities, conservation authorities and transportation. I would like to focus on two specific amendments proposed in the legislation, namely, the proposal to give municipalities and local boards broadened powers to impose fees or charges for any services or activities they provide and the addition of a new part in the Municipal Act that establishes new general licensing powers to municipalities.

While we support the goal of restructuring and the introduction of fee-for-service, the Windsor and District Chamber of Commerce is concerned about the broad powers in Bill 26 that are given to municipalities to impose fees or charges for any services or activities provided by them.

While the bill gives the Minister of Municipal Affairs the power to make regulations limiting or imposing conditions on the imposition of fees or charges levied by municipalities, we believe that greater definition should be given to the types of fees or charges that may be permitted under this section.

The chamber of commerce is concerned that this proposed amendment will lead to municipalities imposing fees that do not correspond to the value of the service being provided. Furthermore, we are concerned that the fees may be imposed on businesses for the sole purpose of raising municipal revenues and not specifically related to any activity or service provided by the municipal government. This may have a serious impact on the ability of businesses to create jobs and grow. We believe that this proposed amendment should be improved to limit municipalities to charging fees on a value-for-money basis and not for the sole purpose of raising revenue.

We are also concerned about an amendment which denies people the opportunity to appeal to the Ontario Municipal Board the imposed fees or charges levied by a municipality or local board under the act on the grounds that the fees or charges are unfair or unjust. We believe that the government should provide some flexibility in the legislation for people who may have extenuating circumstances and permit, at the very least, the opportunity for an appeal.

The chamber of commerce is concerned about a new part added to the Municipal Act giving municipalities general licensing powers. The new part gives municipalities the ability to license and regulate any business carried out in the municipality. The chamber is concerned that, as currently worded, trade and competition may be restricted by municipalities through this new section of the act. We do not oppose giving municipalities the power to pass bylaws providing for the licensing and regulation of businesses; however, we believe that the proposed amendment needs to be defined and clarified to ensure that municipalities do not unfairly restrict business from operating or impose additional regulatory requirements that will threaten the ability of the private sector to create jobs and grow.

Proposed amendments to the Corporations Tax Act: The chamber of commerce supports the proposed changes contained in schedule B of Bill 26 to the Corporations Tax Act concerning the Ontario innovation tax credit for small and medium-sized Canadian-controlled private corporations having permanent establishments in Ontario in respect of scientific research and experimental development in Ontario. We believe that providing tax incentives for business is a positive role that government can play to encourage the private sector to invest in the province. The proposed amendments to the Corporations Tax Act will assist these sectors to create jobs and contribute to the overall provincial economy.

Bill 26 contains amendments to the Independent Health Facilities Act concerning the use of personal medical information. The proposed amendment provides the Minister of Health with new powers to collect, use and disclose personal information for specified purposes and to enter into agreements for the exchange of personal information for specified purposes. While the Windsor and District Chamber of Commerce understands the goal of the provincial government to reduce fraud in the health care system, we believe that the government's powers should be better defined due to the highly sensitive nature of this information.

Bill 26 is a very broad and comprehensive bill that contains amendments to various pieces of legislation necessary to restructure the public sector to achieve fiscal savings and improve the operating efficiency of government. The chamber of commerce understands the broad direction being charted by the government through this legislation. We do suggest that the government improve the clarity of some sections and consider allowing for an increase in the period of time for fully informed public input. We appreciate the opportunity to come before you today to offer to you the position of the Windsor and District Chamber of Commerce on Bill 26. Thank you very much.

The Chair: Thank you. Just about four minutes per caucus; we begin with the government caucus.

Mr Hardeman: Thank you very much for the presentation this morning. I have just a couple of questions on the user fee and the licensing powers that are contained in the bill in the M section. There have been a lot of presentations made that the local municipalities are more accountable for these types of charges to the people they represent; that in fact licensing and user fees as they relate to businesses would create a competitive atmosphere. You suggested that you do not want municipalities to tax their businesses out of business, but I think most would agree that local municipalities want to increase their tax base, not decrease it. Do you not see that this would keep the lid, shall we say, on the taxing or the licensing fees to be competitive with their neighbouring municipalities?

Mr Sandre: I think each municipality will have to look very intimately inward into how it operates and what services and what levels of services it provides. I don't necessarily believe that user fees will have to be implemented in all cases. However, what we are suggesting is that we would rather have more clarity and understanding in the legislation that any user fees that ultimately end up being legislated at the municipal level are on a value-for-money basis, a cost-recovery basis, that it's not just for the simple purpose of passing on a poll tax to the people.

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Mr Hardeman: On the other issue, the appeal to the OMB on the user fees, you do recognize that presently the user pays the municipality's charge, and the property taxes it assesses to pay for the services it provides are not appealable to the OMB, that this is not a change, from the municipal perspective. You were aware of that?

Mr Sandre: No, I was not aware of that. However, it's mentioned in some other cases in this legislation where certain rights of appeal to the taxpayer are denied. Again, I'm not intimate with Bill 26, but I believe one of those instances was uncollectible tolls for certain highways. We feel that the right to an appeal is a right that should be maintained, especially if there are any extenuating circumstances that could be brought up before the appeal board.

Mr Duncan: I was most interested in two parts of your presentation. I want to come back to the issue of municipal taxes, the provisions in schedule M that will allow a broad new range of user fees. Can you define for us how your members would be concerned about a municipality's ability to levy a sales tax, a user fee for garbage collection, and what your chamber's view is with respect to the impact that will have on investment and, most important, job creation in a community such as ours?

Mr Sandre: Is your question regarding how businesses feel about user fees? Is that the gist of it?

Mr Duncan: Yes, and how it will affect investment decisions and job creation in this community.

Mr Sandre: I think businesses understand that the goal of a user fee is that if a service is consumed or utilized, there will be a fee charged for the utilization of that service. What it does is force an operation to look inward to determine—as a common example that seems to be cited, now that there is a fee for garbage collection, the operation not only of business but also individuals would look to better ensure that the least amount of garbage is put out. I think there are ways of ensuring competitiveness within that user fee structure.

With regard to not causing investment, or what impact it may have on investment, businesses these days deal in so many varying types of environments that this environment would be another example of a change that businesses would have to contend with, and successfully contend with, and still go on to create jobs.

Mr Duncan: On page 5 of your brief, "The chamber suggests that the government improve the clarity and consider allowance for increasing the period of time for fully informed public input." Is it then the position of the Windsor chamber of commerce that this government ought to have more public hearings and allow greater opportunity for input from the people in this community and right across Ontario?

Mr Sandre: Yes, it is, and we have certainly gone public with that, as you're well aware, in the past.

Mrs Pupatello: I'd like to go back to the availability in the bill for the addition of taxes. The mayor of Toronto, the mayor of Mississauga, all of them, are gleeful in discovering that they'll be able to apply new gas taxes, sales taxes. It's the position of the CFIB, for example, and I believe the Ontario chamber, that any new tax is anti-business. Do you feel the same way?

Mr Sandre: That sounds somewhat related to what Mr Duncan was asking in terms of how user fees affect the competitiveness—

Mrs Pupatello: But these are taxes specifically.

Mr Sandre: User fees, or any taxes, we want to be considered in a value-for-money concept, not just as a revenue grab. That's where businesses are coming from. Any increase in tax to anybody can be considered regressive. However, with the number of changes going

on in our province, in Canada and worldwide, businesses would be able to adapt to those particular types of changes.

Mr Cooke: Thank you, Larry, for appearing before us this morning. You're one of the chosen few.

One of the things that has struck me so far is that in our one week of public hearings in Toronto, we've had the board of trade and chambers from a couple of communities before us, and they basically say, "We agree with the title of the act, 'restructuring,'" but when you start getting into specifics, there's a lot of concern both about process and some of the specifics in the bill.

We've had some experience in this community with restructuring our health care system, experience every time I've met with the chamber, that there has been a lot of support for that process at the local level for restructuring our hospital system.

Do you have any concerns at all that what this bill does is centralize power to an extent where the process we've experienced in Windsor, where the community has worked towards restructuring the health care system, would be out the window and that would be done by a new commission? Talk about bureaucracy. If you look through this bill, it sets a whole series of new bureaucracies at Toronto to decide for Windsor what will be done. Would you have concern if in fact the process we have used in Windsor were thrown out the window and it was decided basically by a restructuring commission in Toronto about our hospital system?

Mr Sandre: There are a lot of questions in there, but yes, certainly I would have a concern if the proposal we have currently in our hospital restructuring phase is thrown out the window. That to me just would not make sense. It would not be in the public interest, I believe.

In regard to the centralization of power, we have a concern that there seems to be a lot of areas that need further clarification, further definition, to understand exactly what powers are involved here.

I would like to mention that this is very much akin to a company that's going through a restructuring mode where a restructuring committee is set up, and it just centralizes and becomes the in-and-out point of for decisions to be made, for information to be exchanged. It's not uncommon to have some sort of centralized authority. However, it's just unclear from my reading of what I've been able to get my hands on in Bill 26 exactly how much power is centralized within this authority, under the different ministries.

Mr Cooke: I suggest you take a very close look at it. I know there are some parallels the business community wants to use about restructuring government versus restructuring the private sector. I would argue that the private sector doesn't need to worry about democracy, since they either have some shareholders they report to or in some cases a very limited number of owners to report to. In a democracy, there are 11 million people in this province that a government is responsible to, not just a very small group of people in Toronto to dictate to the rest of the province.

Perhaps you can give us some input in the future on this also: You focused on licensing and user fees, and I'd ask you to specifically look at the taxing powers being granted to municipalities and whether you would support a municipality being given the power to introduce an income tax, a sales tax and a gas tax at the local level, which this bill does. If the bill does do that, does that change your view on this legislation?

Mr Sandre: I think the comments I made along the user fee line apply to the imposition of any new taxes as well, that municipalities not look at this as purely a revenue-grab mechanism but to charge for services, either through a user fee or tax on a value-for-money basis only. I also believe that municipalities will be looking inward. We've heard a number of them already go public with regard to the fact that they will be assessing their operations internally first before doing anything with regard to a user fee or tax increase.

We're saying that if it comes to that point, the value-for-money concept should be set out in the legislation for the municipalities to follow, not to allow just a windfall revenue grab.

The Chair: Thank you very much for coming forward today and making your presentation. We appreciate it.

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WINDSOR PUBLIC LIBRARY

The Chair: Would a representative from the Windsor Public Library please come forward? Good morning and welcome to the committee. You have 30 minutes this morning to use as you see fit; you may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd read your names into the record for the benefit of committee members and Hansard.

Ms Jean Dirksen: First of all, thank you very much for the ability to come forward. My name is Jean Dirksen, the chief executive officer of the Windsor Public Library system. With me is John Martel, the chair of the Windsor Public Library board. I've given you a brief handout which summarizes the two points I want to make.

Point number one: Given the inevitability of reduced tax support for our public library systems, I'm requesting that this government remove any legislative restriction which presently exists on our ability to generate revenue, thereby allowing us to protect our existing services and to develop new services. What we need to do in public libraries to keep ourselves moving forward in a healthy fashion is to diversify our funding sources, just as corporations have to. In our case, our sources of funding are predominantly municipal; 92% of our money comes from the local taxpayer. For additional funding sources, we have to rely on our fund-raising. What I'm asking you to is remove section 23 of the Public Libraries Act, which presently restricts our ability to charge user fees, and I am talking of modest user fees.

What I'm suggesting we should be allowed to do is make our decisions at the municipal level. Let the municipality work out what level of support it can give its public library system through the tax base, and then allow us, beyond that, to diversify into the other areas. One of the legislative things you're already working on is the establishment of the crown foundation.

With respect to user fees, I can give you examples of other jurisdictions in Canada where modest user fees have been allowed. Tax support has remained healthy, but also, in the midst of rising costs—our costs are going up phenomenally to provide library service—municipalities that have been allowed to establish a modest fee have also been able to use that to protect existing services and keep abreast of what is needed in a technological environment to build good technological service, on the ergonomic level as well as on the technological level.

Edmonton Public Library, for example, charges a fee of $1 a month—that's what it works out to; it's $12 a year—for a library card. There are other packages they offer in their funding, the details of which I don't know exactly, but you can get a family card and I believe they exempt children. But the average charge to a single adult is $12 a year. From a modest user fee of that kind, they've brought in $800,000 a year, which has helped them maintain their existing services and of course continue to develop new ones. What I'm asking for is that type of flexibility at our level as well.

I'll give you an example of some of the needs we have in Windsor which are very typical of what I'm sure you'll hear other library systems tell you they need. We definitely need to upgrade our computer system. We are not providing a state-of-the-art service presently to our community, which means we're not giving them the democratic access they need to the information highway—to use a cliché, but I can't think of a better term for it. We also, as well as developing a good computer system for technological access, absolutely have to keep up the ergonomic components that go with that, which means we have to revamp our workforce so that our workers can provide these services without any negative impact to their health. This costs money.

We have aging buildings which need to be upgraded for, again, the safety of public and workers, as well as just to protect the investment of the tax dollars in these buildings to begin with. We have underserved areas of the city. The most pressing need we have at the moment is in the Sandwich area, where there is a very strong need for library service and where we have to start a fund-raising initiative to get it going. These are the kinds of things you're going to get told in any public library system, but these are the reasons we need to have whatever flexibility we can to maintain democratic access to information and still keep the funding level healthy.

The second point I'd like to make is on the library foundation. We're very happy that you have taken the initiative to establish a crown foundation for public libraries, and we're requesting further that this initiative be undertaken in such a way that would enable the establishment of these charitable foundations at the local level.

I think we have to recognize that public libraries are local institutions; they're not provincial institutions, so please remove whatever roadblocks there are to the municipal support of these systems as well as allowing us the local flexibility. And in the case of the crown foundations, obviously any donations we can get through a crown foundation offer a better tax incentive for significant donations, so that's why we want this. To have it at the local level I think is going to stimulate, frankly, more volunteer interest in fund-raising, but also I think it will be easier to administer. If you set up the crown foundation at the provincial level, you're going to have to set up a body to administer it. You already have those bodies existing, at the local level, through the public library system you already have in place.

My only conclusion is just, and I'm taking these words out of the AMO document that you've probably already received, that public libraries need the tools to manage their major funding reductions in ways that minimize service disruption, allow us to maintain priority services and enable us to move purposely forward in the establishment of new services, all without a major impact on property taxpayers.

Also, I just want to say a thank you to our existing MPPs here. Dave Cooke, Dwight Duncan and Sandra Pupatello have all been extremely helpful in any of the work we've had to do dealing with Queen's Park. I thank you, and now I introduce John Martel.

Mr John Martel: I guess my comments are a little bit broader. They're more on a provincial basis. I'm also a member of the southern Ontario library services committee, and basically we have responsibility, therefore, for interlibrary services throughout southern Ontario.

I urge the government, in its restructuring, to keep in mind that the future is a future of information. The information age is coming upon us very quickly, and to be able to keep up, I believe that we need some provincial assistance in so far as ensuring that provincially we continue with the idea that libraries need to become, and should become, one place to look for information.

I was very dismayed at the last round of provincial cutbacks, for example, in which the Ontario library system services, both northern and southern, were cut 37%, and yet Metro library services, which perform exactly the same services, were cut 5%. That disturbs me. I don't think that's equitable. I think you need to go back and look at that again.

If you have Ontario library services, whether they're divided into two or three portions—southern, northern and also Metro—I don't particularly care about that, but if you are giving the Ontario library services the mandate to consolidate and to be a central diffusion point for all services, you should try to do it on an equitable basis. I do believe that the library concept of one place to look is a very good concept and should be followed.

1050

On a local basis, for your information, just to expand on what Jean has talked about, we have just embarked here on I guess a consolidation of our services and we have also embarked upon consultation with our ratepayers. We have just received back from our local ratepayers 743 surveys, which went out during the summer months, and that was a good month and we know that; we therefore missed a lot of people, and I think it's tremendous that we received that number of surveys back. From those surveys, which are utilization and service surveys, it became very evident that for many people the local library is a second home; a place where they go to research information; a place where they go to enhance their educational capabilities; a place where they

go for research on finding jobs. We very much need to be able to expand on that. I don't think we can do that just locally; I think we have to do that in concert with all other libraries in the province.

I guess I'm therefore urging you, during the restructuring, to take a look at the services that you want libraries to provide, not just locally, but also on a provincial basis. I think we need to take a look at that and ensure that you continue what has occurred so far.

In so far as the potential for, I suppose, councils to get rid of special service groups such as library boards, I guess I see both sides of that. I have sat on the county council library board, which of course, if you know, is three council members and two people from the public. It worked very well. I think what's more important, rather than who controls the board, is the composition of the board. Again, I have to tell you that you should look at some people from the province who can give some guidelines as to how boards should be chosen. Currently we have a new library board made up of 11 members; previously it was 15 members. Our city council, I have to tell you, has been very good in ensuring that the selection process was quite good in terms of forming a valid library.

In terms of fees for service, I firmly believe that as they pertain to libraries, they should be very minimal. There's no way that we could have fees for service in the library system that would recover all the costs. I therefore urge you to continue giving provincial support to libraries. I feel badly that I guess on a city-wide basis, on a large basis such as we are, we have greater access to funding because of the larger tax base. The smaller municipalities—I'm not here representing them—will require more help. You will have to continue that on a provincial basis, otherwise it will be the haves and the have-nots. I don't believe that is fair.

I thank you for your time in listening to us. Again, good luck with your deliberations. I believe that the province needs to restructure and needs to take some services out of the central and give them back to municipalities. The one thing that bothers me throughout Bill 26, and it's bothered me for a long time, and people such as Dwight Duncan will know what I'm talking about—Dwight and I sat on the solid waste authority, and valid public consultation will make or break everything that you do.

The Chair: Thank you. We have five minutes per caucus for questions. We'll start with the opposition.

Mr Phillips: I appreciate the presentation. I'm a little confused by it in the sense that what Ms Dirksen said is a little bit different from what Mr Martel said, I think, if I heard you right, in that the thrust of Ms Dirksen's comments was, and not only the thrust, but the words, "remove any legislative restriction...on our ability to generate revenue, thereby allowing us to protect"—essentially, remove any restrictions on revenue generation and be very flexible on the setting up of the crown foundations and the charitable foundations.

My concern with the written brief is, do we inevitably, therefore, head to a better library system in well-to-do communities than in less well-to-do communities? This has happened where hospital foundations have access to a very good base and where other hospitals don't, that you get two tiers of hospitals. My colleague Sandra Pupatello mentioned earlier that one of the mayors supported by the minister said, "I'm very happy with the library fees going up, and there'll be library fees for all people who use books, but we'll find corporate donors for underprivileged children."

As I read this brief I thought the Windsor board is totally in support of essentially removing any restrictions on fees and user fees and any restrictions on raising funds through crown corporations. It's kind of like a total free-enterprise library system. I frankly wonder, is that what we want? As I listen to you, Mr Martel, I think you were cautioning us, "Be very careful of heading down that road." But that's certainly where the government's going; make no mistake about that. But I thought the brief was supporting that direction.

My concern is, as I say, that we end up with really a two-tier system. If you've got enough money to use the library, you'll have free access. If you don't, you've got to go out and find a corporate sponsor, which I find, frankly, totally objectionable, personally.

I just wonder what we should take from the brief. What is your message to us? Is it that it's wide open, and the library system is now kind of a free-enterprise system, or should we be very cautious of that direction?

Mr Martel: I think first of all, if you look at the purpose, basically, for Jean's comments, she said given the inevitability of reduced tax support, when that occurs, then you're going to have to free it up. I'm going further than that and I'm saying to you that when tax support is reduced, then there is a provincial interest that must be maintained as well, and that provincial interest is in terms of the information age. I guess I'm approaching it from that perspective.

From the second hat that I'm wearing, being a member of the southern Ontario library system and not just the Windsor Public Library, I think we both agree very much, though, that the types of fees to be imposed cannot be a total recovery service. You heard Jean give the example of $1 a month, and as far as I'm concerned, I'm one who really believes that in certain cases you have rules but you can, if necessary, make some exceptions, and I think we know what we're talking about.

Ms Dirksen: I said in my comments that I see libraries being funded through three sources, the municipal being the core source. What I'm talking about is that that is our core funding. What you can do, once you know what your core funding support is, is you can establish what the core services are, and I think you'll probably be getting some other feedback on what I suggest are core services.

The community library association has done considerable work in defining what are core services. "Core services" means that you don't pay additionally, beyond your tax support, for those particular services.

The Chair: Sorry to interrupt. It's Mr Cooke's time.

Mr Cooke: Thank you for the presentation. I never get confused. If there's a perceived difference between the chair of the board and chief executive officer, I always know that the chair of the board is right. That's how the system works, right?

Mr Martel: Not really. We work together.

Mr Cooke: I just have a question that I'm not entirely clear on. I understand the need to maintain an adequate number of dollars to maintain your services, but I also am very concerned about access to programs and to books as a former Minister of Education.

When we began getting into grade 9 reading and writing tests, the testing we did showed very clearly that kids who had access to reading material at a very young age, and were read to at a very young age, did far superior to kids who did not have that access at a very young age. We're not just talking, as some people might think, of libraries as a frill in our society. We're talking about access to programs and materials that can define their success in the educational system and therefore success in society in the future.

1100

I guess I want to, number one, get an understanding of how you would deal with equal access if user fees are put in place, especially for low-income families. Secondly, I'd like you to give a very brief description of some of the programs, because I think there are some people who would believe that libraries are there, that there's staff who will help you find the book you want to look for, and that's all that happens at a library. You and I know that's a portion of what happens at a library, but there are a lot of programs directed at kids that help them learn to read at a very young age.

Ms Dirksen: Yes, definitely our core programs are our children's programs and those are the ones we give priority to. Actually, it's because of cuts we've had over the years that we're really not doing any adult programming other than what volunteers come in and do. We still have adult programs going on, but those people you see doing those programs are volunteers. They are coming in and providing the program as a supporter in the community.

Mr Cooke: Somebody has to pull the volunteers together and organize the volunteers. That all takes some staff.

Ms Dirksen: That's right. It does take some staff, and you can talk to Mr Eady, whom you would know very well, about what that takes because you've dealt with him at Riverside Library. But our children's programs are definitely our core programs.

Other programs that we provide, we do a significant amount of work in just helping people find information, and it's not simply phoning the library and getting a fact right out of a book to you. There's also the process when you come into the library of being taught how to use that massive amount of information. So what the staff provides—they are like go-betweens, gateways to the information. They provide an enabling function and they help people learn how to use that material and develop information literacy. I think that's our most important function, providing the information literacy. I'd like it to be as free as possible, but if we're going to get cut so badly that we have to start cutting libraries, then I want to be able to establish or pull in some additional money to keep the services going. Also, I want to see us do that in underserved areas, you know, areas which don't presently have a library.

Mr Cooke: How do you deal with low-income families?

Ms Dirksen: One of the things I've talked to social services about is I'm concerned about people who are social service recipients who would need a library card, but I also don't want them to have to come in and do a means test at the library. I don't want to have to do that either. So the commissioner and I have agreed, if we get to charging user fees—if—that the social services staff will issue the library cards. They have to know who their clients are to serve them; we don't have to know. So they will issue the cards, which will help.

The Chair: Thank you. Mr Hardeman.

Mr Hardeman: First of all, going along with Mr Cooke's comment about there being a somewhat difference of opinion between the elected official and the staff person who's actually in the process of providing the service, I guess it tells me that from the ideology it's nice to have everything provided by the taxpayer and to keep providing the same service as we are presently providing if that was a possibility.

Realizing the financial situation the province is in, I recognize that the person delivering the service would feel it appropriate that they were able to charge for that service rather than to not provide the service at all. So I'd just like to ask you: On the issue of charging for service, there have been many comments made on user fees that if they're going to be allowed for municipalities or boards, there should be some type of mechanism from Toronto, from Queen's Park, to limit, to deal with that, because I guess there's a fear that the local representatives, the local people, will not be able to deal with the reality, that they charge so much that it prevents the low-income people from using the service or prevents seniors from using the service. I gather from your comments that you're convinced there should be no restrictions, that you think your local board would be able to make that decision more—

Ms Dirksen: We get 92% of our funding from council. Frankly, that's who I have access to when I have to make an argument, you know. I don't get in the car and drive to Toronto. When I need to make an argument for a critically needed service at the local level, I go to council—not I; my board chair and I go. So what we have here is a community network of people who are living with the challenges on a day-to-day basis. It's a question of access, partially, but it's also accountability. It's the local community that funds us, for the most part.

Mr Hardeman: One other comment was on the makeup of the local boards. The president of the Ontario library association boards—I can't remember the exact title, but they made a presentation at one of the meetings in Toronto and there was a great concern that the board remain autonomous as opposed to a committee of the local council.

The local council appoints the majority of members, which could be all elected officials from that council. Is it your position that it's critical that they be an autonomous body?

Mr Martel: No, it's not. I've sat on both sides of that issue, being a member of county council and having sat on the county library board. That system worked very

well. And the system that we have now here currently in the city also works very well, but it's because of the people who want to make it work. We have a good CEO, we've got good city council members and good library board members, and we do work hand in hand as much as possible.

I think where provincial interest needs to come in, however, is there are going to be some communities where that's not going to occur, and there are going to be some communities that are going to want to basically delete the library service completely.

From my perspective, on the provincial basis, again from the southern Ontario library system perspective, you need to be very conscious of that; otherwise exactly what Dave was talking about in terms of not being able to provide access, or service to youngsters will stop in certain areas. Then you'll really have an underprivileged population. I think it's very important that you keep tabs of that.

Mr Klees: Just very quickly, I want to thank you for a very factual and helpful presentation. I'd like to follow up on a question from Mr Cooke on the issue of accessibility for people under a system where there is a user fee in place. You must have some information. Is there any evidence that accessibility is restricted when you have a nominal user fee in place? And if so, could you elaborate on that?

Ms Dirksen: The jurisdictions I know of that have nominal fees in place are Winnipeg, Calgary and Edmonton. I don't have any specific information on whether their library usage decreased when they established the fee or not. I know approximately how much money they're bringing in. I talk to the other CEOs there and they've established the fees relatively recently, so I guess the pattern is perhaps still fairly new. But from what they're telling me, they didn't observe a significant drop in usage as a result of having established those, again, I still say, fairly modest fees. I don't even think those jurisdictions had special dispensation for social service recipients etc. I don't even think they went to that length and I think they still kept at fairly steady levels.

If you're going to get into expensive fees, then yes, of course you're going to restrict usage, and you still have an obligation to fund from the municipal tax base for basic core service, but perhaps it should go a little further.

The Chair: Thank you, Ms Dirksen. I apologize for interrupting. You've come to the end of your half-hour. I'd like to thank you and Mr Martel for coming forward today to make your presentation.

WINDSOR AND DISTRICT LABOUR COUNCIL

The Chair: Representatives from the Windsor and District Labour Council, please come forward. Good morning, gentlemen, and thank you for coming to appear before the standing committee on general government today. You have half an hour to make your presentation. You may use that time as you see fit. You may decide to leave some time and the end of your presentation for a response and questions from the caucuses. I'd appreciate if you'd both introduce yourselves for the benefit of committee members and Hansard.

Mr Gary Parent: My name is Gary Parent. I'm president of the Windsor and District Labour Council, representing over 42,000 affiliated members in Windsor-Essex. To my right is Nick LaPosta, secretary-treasurer of the Windsor and District Labour Council.

I want to preface if I may, Mr Chairman and panel, my remarks this morning in my written text by saying how appalled I am when I look, first of all, at the list of presenters that are before us here today. I see no public sector workers represented for the province of Ontario and also for the municipal people in Windsor-Essex. I also understand that's the same stay of execution that's before the public sector workers in the city of London tomorrow. I think it's absolutely appalling that this committee is so hell-bent, and I appreciated the opposition party's motion this morning on extending the hearings. I hope this committee would entertain extending on absolute, fundamental changes to the way the province of Ontario and every municipality across this province is going to be governed in the future. It's contained in the changes that are recommended in this bill.

We just believe it's appalling to have this happen today, and to start our hearings off in the city of Windsor with no public union input I think is absolutely atrocious.

I think also I'd be remiss if I didn't make a couple of comments, and I think Mr Martel is not aware that he's probably done himself out of a job today as the chair of a public library board, because this bill does do exactly that. It gives the minister the absolute responsibility of eliminating library boards. I don't know if he listened to the same interview program that was on last night that Sandra Pupatello mentioned earlier on, but I heard one of our city councillors say that if they didn't toe the party line, they'd be out. In other words, if you don't toe the party line as far as the city of Windsor is concerned on this particular board, then the board will be disbanded, or at least the request will go in to the minister and the minister obviously would have that power to do that.

It's interesting also to note that Mr Charette, the first speaker this morning, indicates that this bill reflects good management. I think downloading responsibility from one level of government to the next is not good management. Also, when he makes comments about more input at the community level, I don't believe the man has actually read the bill. There's no community input and a lot of the decision-making powers are being shifted to the province of Ontario and to individual ministers, not only cabinet but individual ministers being able to make specific changes that affect the broad sector in this particular community I'm speaking of of over 300,000 people. One minister can make decisions to change the whole outlook of Windsor-Essex county. I think it's absolutely appalling that we're sitting here today discussing such draconian pieces of legislation.

The other thing: I listened very intently to the chamber representation, and I hope you did too, because there was some unanimity between the labour movement in this community and also the business community. One thing we did agree on and have come to an agreement on is that more consultation is needed on specific pieces of legislation that are going to affect each and every one of us. In particular, this is an insult to the people of Ontario

to put forward Bill 26 with the amount of amendments that are in there and give it two weeks of hearings. I think it's absolutely atrocious.

We wish to begin our presentation today by stating our profound opposition to the total content in this omnibus bill and to the undemocratic process with which it is being foisted upon the citizens of Windsor, surrounding counties and the province as a whole. This bill confirms our opinion that this government is authoritarian, autocratic and profoundly undemocratic. The content of Bill 26 shows it is nothing short of a naked power grab by an extremist government. Given the number of acts created, repealed or amended, and given the significance of the issues involved, the process must allow for the democratic input of all concerned, and that includes public sector workers, which you're denying.

As you may or may not be aware, the Windsor and District Chamber of Commerce joined, as I said a few minutes ago, with the Windsor labour community in asking the government of the day to provide a minimum of six months—six months—of meaningful consultation to take place regarding all proposed legislative changes. It has been estimated that if someone were to sit down and read Bill 26 for eight hours every day, it would require over nine days to complete. So we feel the time for public input across this province is not adequate and should be expanded, as has been tabled here before this committee this morning, so that there can be meaningful consultation as advised by both business and labour in this community.

There are a number of specific concerns we have as workers and citizens in our region, and we will take this opportunity to express them. I would ask Nick to read through them.

Mr Nick LaPosta: According to the Municipal Act and related amendments, schedule M, when one looks at the makeup of Windsor and Essex county, these changes will have a tremendous impact on the way our region is today and what it will look like in the future.

These changes give the Minister of Municipal Affairs unlimited powers to restructure existing municipalities, including amalgamation of municipalities, annexing part of a municipality to another municipality or totally incorporating the inhabitants of a locality into a municipality and joining a local municipality to a county for municipal purposes. All this can take place through a commission and there is no provision for public involvement for appeal procedure under this model, which we feel shows how anti-democratic this current government really is.

It also makes it easier for the minister to privatize municipal utilities under section 33, which takes away the requirement to hold a municipal referendum.

Also included in this section are broadened powers granted to municipalities to pass bylaws imposing user fees or charges on any class of persons. These fees and charges may be levied for any services or activities provided by the municipality, for any costs payable by it for services and activities and for the use of any of its property. The bill also gives every municipality the power to levy a head tax on every municipal resident, which certainly sounds to us like the dreaded poll tax initiated by Margaret Thatcher in Britain. We would also like to point out that section 9 ensures that user fees cannot be appealed to the OMB on the grounds that they are unfair or unjust. These are but a few of the concerns under this one section, and there are many, many more under this same section that will have drastic consequences on the people of Windsor and Essex county.

Freedom of information, schedule K: The essence of these amendments are to make it harder to gain access to documents and, conversely, easier to deny access. Institutions will be able to deny access on the grounds that a request is frivolous or vexatious. It will, in our opinion, be easier to dismiss appeals when access is denied. When more accountability from all levels should be the mandate of the day, it seems this government is bent on keeping the people of Ontario in the dark and denying access to information that leads to accountability.

Equality for women, schedule J: For an estimated 100,000 low-paid women in such areas as day care, children's aid, nursing homes and the like, employers with no male-dominated job classes, this means their right to fair pay has been abolished. When this proxy method was added to the pay equity law in 1993 there were extensive hearings on the bill. So we are asking this government to allow for full, meaningful public consultation so that amendments to this very important section can be made.

Pension and privatization, schedule L: We feel the changes being proposed under this schedule are being advanced to facilitate privatization and the downsizing of the public sector. We also believe that this section is being put in place to deny full pension benefits to those 13,000 to 20,000 government workers who would be affected if the government goes through with its layoff election promises.

Restrictions on arbitration, schedule Q: The proposed changes in this schedule constitute a significant interference with the independence and integrity of the arbitration process. Traditionally, boards of arbitration have been extremely resistant to looking at the criteria of ability to pay, as it could require public sector workers to subsidize the provision of public services and also since it usually equates more readily to the willingness of an employer to pay. The government could determine wages and benefits by simply allocating a fixed or reduced amount for employee compensation in its transfer payments or budgets.

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We would like to remind the government members of this panel that when similar legislation was established in the early 1980s the Tory government of the day listened to concerns similar to those that are being raised today and did not renew the legislation after expiry a year later. We are saying to this government that we in the Windsor-Essex area wish to continue being protected by good-quality police and fire departments, and we wish to maintain our access to good-quality health care at our hospitals as well as quality education, which we feel is threatened by those proposed changes.

Mr Parent: In regard to what Nick has just alluded to, I heard a news clip this morning on the hearings that were before the members yesterday, for those members

who could not get standing here today, by the firefighters. I think the panel members should well listen to what the firefighter was talking about, because he was talking about user fees being put on and people trying to put out their own fires rather than call the fire department because of user fees or the possibility of user fees being put on in the example of someone calling.

Because a municipality said it cannot afford fire protection any more because of the downloading of that responsibility on to totally the municipality, now people will try and put out their own fire, which is going to be devastating; and worse, non-working fire alarms in apartment buildings and the like, because probably if they're called to a false alarm or whatever, then they're going to again administer a user fee, a possibility of a user fee. These are some of the things that are very frightening.

I don't have to say that talking to some of the police officers—and yes, they are there to protect all people, but they also know quite well what could happen under some of the possibilities under this act. They are being denied accessibility to make their views known before this panel. These are just a couple of the most primary.

The health care issues are all going to be dealt with next week at hearings, down to 15 presentations again when there are probably many, many more.

I just want to expand on something that Dave Cooke said earlier, and that's on the whole question of health care restructuring that happened in this community. I happened to spend almost four years of my life devoted to that, as a labour representative sitting on that, only to have this government pull the rug out from the feet of every one of the over 4,000 volunteers who had spent hours and hours of their own personal time trying to help restructure the health care system because yes, there is waste in the health care system. We found a mechanism and a plan to put that forward under the previous government, and it was in the process of being instituted, only to have it now being stopped. Now Windsor-Essex county is being held hostage at this particular time on the whole question of the savings that will be generated on compacting four hospitals into two, and those savings are not being made available to the community groups that we need to survive and to put forward an enhanced health care system.

But those are some of the things that this government is doing, and I believe there's a vacuum of not knowing what's out there. That's why these hearings are so important. But they're not important enough to be combined into two weeks; they have to be expanded into greater time, to let more people expound.

We in the Windsor labour community feel Bill 26 represents the most authoritarian power grab in Ontario's modern history. Not since the famous police state bill of Tory Attorney General Fred Cass has there been such a blatant attempt to gather arbitrary and centralized powers into the hands of ministers of the crown. When we examine a bill giving authority to cabinet or ministers to extinguish existing contracts or rights and obligations and prevent enforcement in the courts, or to make regulations or to override provisions of any contractual arrangements, then we say that this is an affront to democracy and a disgrace to the people of Ontario.

We also wish to express to this committee that municipal restructuring which involves enforced amalgamation or annexation without community input is totally unacceptable and further shows a total disregard for the citizens of the communities that will be affected.

This bill goes far beyond merely enacting the provisions of the Treasurer's economic statement of November 29, 1995. When we see cabinet or individual ministers given the powers referred to above without traditional procedural safeguards and, in many cases, without a hearing or right of appeal to the courts, we say enough is enough.

We say to this committee that a non-democratic province is not what the people of Ontario want. Our history dictates that such changes have only occurred after full and meaningful consultations with all of the people of Ontario, not a selected few, and all the citizens of Ontario deserve the same now. Thank you very much.

The Chair: We'll begin the questions from members of the third party. We have four minutes per caucus.

Mr Cooke: Thank you, Gary and Nick. Two points that I want to ask you about: You say you represent members, of course, across the entire county, including the city. I think this speaks to the speed with which this bill is being passed. Do you think that members of your organization, of the labour movement across the county, understand that if this bill is passed, the government centrally could impose regional government on Windsor-Essex without ever having to bring legislation into the House, without ever having to have public hearings in our community? How do you think the members of labour unions in this community or members generally of our community would respond to a piece of legislation that would allow the imposition of regional government in our area without any consultation? How do you think they'd respond to that?

Mr Parent: I think they would respond very angrily. I think some of the frustration that you saw here this morning is only a small bit of the anger and the type of vindictiveness that they would feel against this government as it relates to such draconian changes without community input. This is why these hearings are so important: so that more pieces of this bill can be put out to the public through the media and for the various members we represent, for them to fully understand.

This is not being given the opportunity or the chance to be done. It was rushed in. It was only because of what happened in the Legislature that it even got the two weeks of hearings we now have going around the province. I think that is commendable. I only wish he had a bigger bladder so that we could have been there a lot longer. Maybe we would have got more hearing time.

Mr Cooke: I think our community's been used as a model to restructure the health care system. If this legislation passes, can you see any community in the province where labour would cooperate in restructuring our health care system with these powers given to the Minister of Health?

Mr Parent: Why would we be sitting down to make input when it's not going to be listened to and the decision has already been made? That's exactly how we felt and that's why, in fact, since this government has

been elected, we in the labour community have pulled away from the existing process: because of the way that this community is being treated by this government and being held, as I said earlier, in the state of mind as it is, as hostage under the current legislative changes.

The Chair: Mr Silipo, you have about 45 seconds.

Mr Silipo: Great. One of the things that you mentioned was in fact the elimination of pay equity, particularly proxy pay equity, which means that some 100,000 women who are among the least paid will no longer benefit from that and get the right to fair pay. Can you just see any logic in what the government is doing in terms of why, within the area of pay equity, it would be eliminating pay equity for the lowest-paid women in the province?

Mr Parent: To go back 40 years in legislation, to bring us back 40 years in history; to keep the business people that I guess support them, to try to satisfy them; and also to pay the 30% personal income tax that they promised the people of Ontario during the last election campaign. They're using them as the scapegoat under it.

Mr Joseph N. Tascona (Simcoe Centre): Thank you for your presentation. I just have a couple of questions or comments also on schedule J. Proxy comparison was brought in in 1993. It applies only to public sector employees, not private sector employees. It's not in any other province in this country. I understand, Mr Parent, that you said that your council doesn't represent public sector employees. Is that correct?

Mr Parent: No, we do.

Mr Tascona: You do? Okay. So dealing with schedule Q, I'd like to know this: Ability to pay obviously is a factor in the private sector, okay? If the employer can't pay the wages, the employees aren't going to get it. We have mandatory criteria in schedule Q—other provinces have—and I can assure you that there's no power of the arbitrator to order service reductions. In a situation where we have the public interest, where we have a financial crunch—it's obvious—why would we not want arbitrators to consider the ability to pay and have the parties focus on freely negotiating the deal, also looking at productivity bargaining where they can make the services better, rather than having the focus on, "How much are you going to pay me?"

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Mr Parent: The problem we have, and maybe I didn't make myself perfectly clear in the written text, is that government at the provincial level can almost dictate at that time, on ability to pay, through a non-forced arbitration system, that they would reduce the transfer payments to that particular element, whether it be to a municipality, to a library board, to a transit property or whatever. They could limit both the transfer payment to that particular piece of municipal bargaining going on and its budgeting, have effects on its budgeting, so as to predetermine what the actual amount and outcome is going to be, therefore causing the true process of free collective bargaining to be curtailed in that particular piece of a municipality that is doing the negotiating.

Mr Tascona: You know as well as I do that transfer payments have been going down over the last couple of years, anyway. The only other solution is that you're looking at increasing taxes to deal with this situation. Why can't we look at saying, "Let's try to see how we can do this service better, reduce the cost, save people employment" and not just focus on—we know what the reality is: Transfer payments are going to be down, and we also know that people don't want to pay any more taxes. We've got to look at this constructively. We're not taking away the arbitrator's powers. We're saying, "You've got to live within this legislation, like any judge would have to do in a court."

Mr Parent: I would feel much more comfortable if there was a fair taxation system in place. Unfortunately, there's not a fair taxation system in place. Those things you mentioned are very important, and yes, the members we represent happen to feel they are very much overtaxed. All we're saying to governments, both federally and provincially, is that they have to take a fairer approach to the whole question of taxation and there has to be a fairer approach to how people are being taxed. We can't allow, to this day in 1996, banks to make over $1 billion worth of profit and at the same time have people on welfare have their benefits cut 21.6%. There's just no justification for that, as far as we in the labour community are concerned.

Mr Tascona: What about property taxes? What do you think about those?

Mr Parent: I think what you've done here in this piece of legislation is definitely going to have the effect of raising municipal taxes for every citizen in the province of Ontario, and you can sit back and say: "It's not us. It's the municipality." It's a shift of your responsibility as the government of the day on to municipalities, on to us as taxpayers, and we're not taking it.

Mr Tascona: I'm not talking about that. I'm talking about how you do the property tax, not about how much.

The Chair: Mr Tascona, I'm sorry, but we've come to the end of your four minutes.

Mr Phillips: I just have a quick comment. The member just said that "ability to pay" exists in two other provinces. We've been briefed and told it did not exist.

Mr Tascona: I said other jurisdictions. I've got proof I'd like to show you, if you want to look at it.

Mr Phillips: Table that; that's fine. The other one is restricting the arbitrators on their ability to dictate services. I'd also like that to be tabled.

Mr Duncan: Gary, you alluded to organized labour's contribution to health care reconfiguration in this community. You didn't expound on a whole variety of other areas the labour movement in this community has contributed to, not only to the lives of working people but to the health and wellbeing of this community in its entirety.

It's our view that the way the government is handling this piece of legislation, the way it handled Bill 7, the way it handled Bill 15, is to deliberately provoke confrontation with organized labour. We saw it expressed very clearly in London; we're going to see it expressed again.

Can you tell us a little bit about the contribution organized labour has made to this city in terms of the recent economic growth we've experienced and the consultation processes it involved, both private and public

sector unions, and how some of those investments would not have happened in this community without the kind of positive, proactive climate we've had in this city for the last decade, so that these guys can learn to understand that there's a role for working people in the public life of this province?

Mr Parent: The first example I want to raise, obviously, to boast a little bit, is on the whole question of our participation in our United Way fund drive. For the 26th year in a row, we are the leading per-capita community in North America as it pertains to the United Way, and that's only done because of the joint relationship between business and labour getting together and putting our differences aside at that particular time for the betterment of the community.

On top of that, when you look at the Chrysler investment, the GM investment, the Ford investment that's gone into this community, contrary to what your government was indicating about why you had to make all these changes on the elimination of Bill 40, it was the highest time of investment for Windsor-Essex county when we had Bill 40 in existence.

If we look at other things such as the casino—it's something your government was questioning during the election and prior—it has been a great diversification of our economic base in this community, in Windsor-Essex county. We're only glad that you saw fit now to leave Windsor alone and to create another economic boom, hopefully, through that of the Niagara Falls area, which desperately needs the help.

But we cannot lose sight of what we're doing in this piece of legislation. Contrary to my friend in the chamber, Larry Sandre, I believe this is going to have devastating effects as far as investments are concerned. You're going to have municipalities going at each other if this bill is passed in its entirety the way it sits today. You're going to have people assessed garbage pickup they cannot have. Businesses are going to be assessed garbage pickup in one municipality and not in another, and you're going to have small businesses then going from one municipality into another municipality, thus eroding the first municipality's tax base.

You are causing havoc in the province of Ontario through this whole question of Bill 26. I ask you, I plead with you, look seriously, have more consultation. You can't let this bill go in its entirety. If you do, you'll be letting the people of Ontario down. You'd be letting yourself down eventually, because sooner or later you're going back to the private sector—we hope sooner than later—there's going to be a time when you have to go back and bear the brunt of what you're putting into play right now, as individual citizens.

The Chair: Thanks very much for your presentation.

CANADIAN AUTO WORKERS, LOCAL 444

The Vice-Chair (Mr Joseph N. Tascona): Our next presenter is the Canadian Auto Workers, Local 444. Ken Lewenza is the president, and perhaps the other two chaps can identify themselves for the record.

Mr Ken Lewenza: Thank you very much. My name is Ken Lewenza. I'm the president of CAW Local 444, representing 11,000 members consisting of Chrysler Canada workers, casino workers and marine division workers out in the county. With me are Mike Darnell, who represents the marine division sector of our union and also sits on the executive board of our local; and Peter Pellerito, who's an elected political action chairperson of our local union and also sits on the executive council for our union. So we're well represented.

I'd like to start our remarks by saying if you listen intensely to the debate and discussion going on today, it scares the hell out of me, as a father of two and recently a proud grandfather, that there's going to be a point in life where we're going to charge people for having the initiative to read, to go to a library and read and educate themselves and become more knowledgeable about the future we have. It scares the hell out of me when we talk about the possibility—it's not a possibility any more; I guess I'm talking to the government—of the strong potential of user fees, excluding people from society on basic needs of health care, education, those types of issues.

It also concerns the hell out of me, and I'm going to take a point of privilege here, about this word "restructuring." I hear the government and business say: "We had to restructure. We've had to do things under some tough economic times to make our business viable." I agree with those statements. I come from an employer, Chrysler Canada, that has restructured in the last 10 or 12 years to make its business more competitive. But they did not restructure without participation from our union. If they had restructured under the decision-making process this government's making today, relative to our private sector union relationship, we'd be on strike until hell freezes over. I have to be careful, because I've been criticized for some of my language. I'm trying to be more professional.

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The reality is that there have been some very good examples. From Chrysler Canada's point of view, the number one employer in the city of Windsor and a major contributor to the economy of the province of Ontario, they've sat across the table from me and said, "For us to continue to make progress, consultation's important not only at the government level, but to continue to consult with each other on the needs both of us have to get through to the next decade is important."

They've also said to me, and it's a very interesting point, that the key to government in the province of Ontario—if you take a look at 10 years ago, the Conservatives were in power after a 40-year reign and then the Liberals got elected for five years and then the New Democratic Party took over for five years. They've said to me, "The uncertainty of the electorate in the province changing governments, which results in significant changes in legislation and significant changes in philosophical ideas, has a negative impact on our business decisions for the future."

When you talk about business decisions, you can't make radical change. You can make change based on your agenda, but to make radical change has a dramatic negative effect on every Ontarian and every business, contrary to what the chamber said. I just wanted to throw

that out, because I believe, looking at you folks, you have to have a fear for your future, your children, your grandchildren. That's what it's all about.

We can talk about debt and deficit. There's nobody, even in the labour community, who's not talking about the debt problem. But we have to recognize that the last five years, as part of that equation, was the worst recession since the Dirty Thirties. We survived it as an economy, and yes, we built up a debt, but I understand in the last year that the New Democratic Party—you can probably straighten this out for me or challenge me on this—actually ran a surplus but it was the accumulated debt of the deficit that created some problems. We have to find ways, responsibly, to deal with the debt without putting it on the shoulders of ordinary people who need government. Frank Stronach doesn't need government. Yves Landry doesn't need government. Ordinary people need government. They rely on you to give them services that the private sector obviously isn't going to give them. I just wanted to throw that out, because I sat there and I genuinely am concerned.

I want to say before I start on my brief that if you ask me today—fortunately, through my membership they pay me well, and I appreciate it; I'm accountable every three years—if you're going to give me a tax rebate to put more money into my pocket, but then charge my sons and daughters and myself to go to a hospital or charge a user fee if I have a fire in my house, keep my money and keep my services.

I'll go on with the report. You get a little emotional. In the presentations, whether you're against or for, people are talking from their hearts and genuinely. If you see the reaction—and Gary alluded to it—I'm really concerned about it. In Windsor and Essex county we've had a wonderful relationship over a period of time, regardless of who was in political office. We've always tried to find some common ground. We've always dealt with the regional government anyway, really, until the last couple of years when the New Democrats blessed us with our share of the wealth from the province of Ontario. I'm concerned, because that mood out there is changing. I don't want a society of violence, and I don't want a society of the haves and the have-nots. That's just not the way it should operate.

I'll go on to my presentation. For the benefit of the committee, we've tried intensely—I got this last Thursday from a municipal politician who asked me to read it. He screwed me up all weekend because I prefer to watch football, but I did read a few of the remarks, so I'm going to give you some of the ideas we have, and my colleagues Peter and Mike might supplement it at the end relative to again spending some time on the weekend.

I can assure you today that I have not digested this document in its entirety. It would take months and months and months. In fact, if I was to sign this agreement without my membership knowing about it, if this was related to a collective agreement with Chrysler, casino or the marine division, I'm sure they'd oust me real quickly, so I do have a tendency to read everything very carefully that affects our membership.

The introduction of the Savings and Restructuring Act, known more readily as Bill 26, introduces a more than frightening element to parliamentary democracy as we have come to know the term. The very fact that extra-parliamentary action by elected members of the provincial Parliament was required to initiate this public forum gives us little confidence that meaningful changes will result from this cosmetic exercise.

In our view, it would be irresponsible to comment on specific elements of the bill without first challenging the premises on which it is based. The management of any economy, irrespective of geographical origin, will have the immediate and profound effect on the stability of society as a whole. At this time in our nation's history, Canadians, including Ontarians, are demanding less centralization of power and greater inclusion of more active participation in the daily management of our political affairs. Literally, our lives are too important to be left to the politicians alone. This is consistent with greater literacy, technical skills and a more mature political understanding among Canada's workers.

It is ironic that, in a period when it is clear that voters are demanding less arbitrary administration, the provincial government has chosen this time to bring to the people of Ontario a bill which objectively results in greater intrusion into our personal lives. The transference of power from elected bodies to ministries, the removal of a requirement for public reference, the organization of regional governments without public input: It is clear to any casual observer that these intended changes are designed to lessen public input and participation on behalf of private, non-elected, vested interests.

The bill, as it stands, replaces a vast array of procedures and mechanisms, not to mention 44 specific acts. This in itself would legitimately justify breaking the bill into component parts: municipal, environmental, medical and administrative, as an example, and striking several committees to spend several months on public consultation.

We object strenuously to an exercise which insults both the public and the parliamentary traditions on which democratic governments rest. We cannot accept that the winning of a majority of seats in the provincial Legislature gives licence to dispense with adherence to democratic principles. It is not implicit that the victorious party wins an unfettered mandate to unilaterally overturn accepted structural mechanisms or that success at the polls negates the need for comprehensive and meaningful consultation.

This is an understanding which can only be driven by cynicism and by an agenda which fears the clear light of public scrutiny. It is tragically comic that this government ran on the underlying theme of less government. Bill 26 makes a mockery of these announced intentions. It dispenses with Big Brother and gives us Big Daddy. Its passage would repudiate both the concept and the Premier's sanctimonious ranting about honesty in government.

The provincial Conservatives did win a mandate to govern. They did not win the right to choose who shall participate. The bill intrudes on this ground. This is a government by stealth and by deflection, not consultation. Under the cover of restructuring, Mr Harris seeks unparalleled control. If approved, it's patently dishonest. Surely he doesn't advance the argument that if Ontarians had

been asked by referendum to agree to turn over public records to facilitate the creation of a two-tiered medical system, such authority would have been given. This government knows without hesitation that had they announced a seizure of powers from the municipal government, no such mandate would have been granted.

Similarly, it is highly unlikely that voters would, if consulted, agree to alterations to drug listing and pricing rules against their own interests. There is only one way to achieve such a massive restructuring without going to the people and that is to bury the relevant changes in the bill before us and then hope that the profound nature of the entire package escapes public scrutiny.

The time allotted to millions of affected Ontarians is not sufficient to afford the public adequate opportunity to properly assess the bill and its long-term implications to our citizens. We cannot stress this point strongly enough. This is not an acceptable length of consultation on a matter that attempts to alter for all time structures which have evolved, step by step, through massive consultations and decades of debate.

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This is not an attempt to balance the fiscal question. It is a flagrant attempt to shift political power to the capital segment of our economy. This government shames the process and should not be trusted to act on behalf of the best interests of the province and its people. Specifically, we vigorously oppose schedule G, which would amend the existing Ontario Drug Benefit Act. The contention of the Premier that this does not involve user fees is, in stark terms, a lie.

Schedule J of the bill attacks the concept of equity and states clearly that democracy, through equity, is merely a fiscal issue and not a matter of concern for society as a whole.

Schedule L is a particularly cynical attempt to override by legislation any obligation which may arise from the government's current responsibility to participate in the sponsorship agreement or in the event of an adverse court decision.

Schedule K makes an absolute mockery of public scrutiny by the heads of public institutions, the power to assess which requests for access to be frivolous or vexatious. This revision illustrates with great clarity the present government's fear of the electorate and their ability to scrutinize actions being taken on their behalf.

Schedule M is an equally insidious example of the government's cavalier attitude in relationship to agreed-upon democratic institutions. The Premier's attempt to whip the municipal governments in line totally destroys the concept of local autonomy as it relates to municipal affairs.

We highlight the above under the provision that this in no way lists all our objections or, for that matter, indicates the true level of disgust which arises from this government's hypocrisy. If the government seeks to eliminate all obstacles to the market, then clearly the legal, civil and societal rights of Ontario workers and their families are under assault. This elevates the debate out of the conventional political arena and into the realm of the overt class war. We do not find this prospect surprising or frightening. In objective terms, it may be the most honest and forthright element in the government's agenda.

Again in closing, before I let my colleagues say a word or two, it's interesting that the mayor of the city is on record as supporting some of the positions in the bill. That is of concern to me, because when the mayor can say, "Well, as a result of transfer payment cuts, we're going to stop some capital spending on sewers, some infrastructure work," that's not what the taxpayers want. They don't want their basements flooded. I can tell you, if we continue to improve our infrastructure that started under the NDP government with some money allocated to highways, it's going to entice investment into our community. If we just say, "To hell with the roads," tomorrow, believe me, it's going to have a negative effect on bringing business to this community. So I think we have to again be careful. I thank the committee and the government for giving me the opportunity to speak.

Mr Mike Darnell: One of the great ideological differences we have with Mr Harris's government is the question of universal approaches versus the market. By the way, I shouldn't indict Mr Harris and the government simply for that; it's quite a universal question. But the trade union movement embraces universal approaches because we believe that is the quickest way to reach consensus on issues.

If you put forward policies that divide and cause disparate conditions between municipalities, for instance—and having been an alderman in a fairly large section, I can appreciate that question. In other words, when you factionalize within a society, it's difficult, if not impossible, to reach consensus on a whole number of issues. This inevitably always benefits a minority in the population but does a poor job of facilitating the aims and aspirations of the majority of people in Ontario.

One of you mentioned the question of a $2 user fee. Is a $2 user fee acceptable? Two dollars is not a lot of money, relative to who you are, obviously, and it's a relative world. The reason I personally reject a user fee is because it removes a program or a service from what I consider to be a universal application to a commercial transaction. Quite frankly, I believe that every citizen in Canada is entitled to security of their biological wellbeing through medicare. I believe that deeply and I believe that firmly, and the minute you start to raise the question of user fees and say, "Now I'm going to sell you the service," what you're really talking about here is taking away the public process and turning everything over arbitrarily to the private sector so that I have to come to you and buy my government from you. I don't want to buy government; I want to participate in government, and that's what you're trying to do in the bill.

I'm prepared to answer any questions that have emanated from the bill. I'll allow Peter to go ahead then.

Mr Peter Pellerito: Basically, I'd just like to make one comment, and I think it's important that the people of Ontario understand this. When the previous government got elected, they said something that sometimes I wonder whether it's feasible or not. But Premier Rae at the time said, "I'm here for all the people of Ontario." Yet Mr Harris, once elected, and there happened to be a demonstration in front of the Legislature, said, "Those

people didn't vote for me; I don't represent those people." I guess that's the sad—

Mr Young: He didn't say that.

Mr Pellerito: He did say that in his oval office, if I can use that term, because I think he's pretty well taken into consideration that he's got all the power and he can pretty well do and say anything he wants. That's basically what he said. I wouldn't say verbatim, I don't know exactly what he said, but I know that's what he said.

He said, "I am here; those people out there didn't vote for me and I don't represent those people." That's basically what he said. I guess one of the most detestable parts of this whole government is that they're there for a certain segment of the people of Ontario, and it's very detestable and appalling that I live in a province now where we have a government in power that does not represent the interests of all the people of Ontario.

The Chair: Four minutes per caucus, starting with the government caucus.

Mr Young: I'd like to ask Ken a question. I share your fears for the future to a limited degree. I'm an optimist at heart but I have very real concerns. What they're related to is, $100 billion worth of debt that we have, $9 billion a year we spend on interest on that, $1 million an hour in interest, and what frightens me is that it's growing. My concern is, if we don't restructure, if we don't make the tough decisions, where will we be?

Mr Lewenza: That's a legitimate concern, and if there's one thing that we can all agree with in this room, it's that we have a debt. And if there's one thing that we can all agree to, all of us collectively, democratically, it is the way to tackle that debt. I'm suggesting to you clearly that a very easy way of doing it, from a point of view that everybody can understand, is tackling the debt with a fair taxation policy in the province of Ontario where everybody pays their fair share.

Mr Young: Can I talk to you about the tax cut?

Mr Lewenza: Okay, but let me just add to that. To deal with the debt, when you cut $6 billion out of the finances of the government in terms of using it for tax reduction, then give us a $6-billion tax rebate, maybe you can answer me, how does that handle the debt?

Mr Young: I would like to comment on that because we keep hearing that only 13% of the people are really going to benefit from the tax cut. Some 87% of the people in Ontario make under $50,000 a year, and they will all receive the tax cut. Okay?

Some people will pay off debt, but the rest of them will go out and spend the money, and those people will buy automobiles. Won't that build your industry and your job? I view this as the largest job creation program in the history of Ontario. I know it will work. I can't understand why you don't support a tax cut for your members, who need it.

Mr Lewenza: First of all, let's be clear about where we want to go. Our members want a tax cut, as Gary Parent alluded to, but if that tax cut's going to mean that if you put $100 more into my pocket a week, or $50, depending on what your income is, and then you charge me to go to the hospital and you charge me to go to the library, you charge me to pick up my garbage, then you charge me for education—and municipal costs will eventually have to go up. Our mayor can say, "Well, we're under pretty good times; we're ready for this decision," but in reality, the roads have to be fixed, sewers have to be fixed. So you can't give it to me in one hand and take it from the other.

I'm not going to be buying automobiles. I'm going to be paying more money for my kid's education. I'm going to be paying more money for health care. I'm going to be paying more money to go into a library. My kids are going to be paying to go into a park if the city of Windsor again has to deal with its fiscal responsibilities.

Mr Young: There was a library board here this morning and they indicated they have no intentions to charge for core services. There's never been any discussion about charging people for emergency fire service, except once they indicated it and they were at a meeting where it was a resolution. In addition, there's even no discussion about charging people for emergency fir service except one comment by one mayor in Toronto that somebody from outside town, their car caught fire, they charged them $300. So there's a lot of fear in this which is totally unfounded.

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The Chair: Thank you, Mr Young.

Interjections.

The Chair: I'm sorry, I'm going to have to interrupt you. You've come to the end of your time. I apologize. Ms Pupatello.

Mrs Pupatello: I have a quick comment that actually the tax rebate at $50,000 is $934. I don't know where you can buy an automobile for that amount, and we don't know how much the health fair share tax is going to be of that $900.

I know, Ken, that you and your union are all aware that in fact of the $1.3 billion that is being taken out of municipalities, that is going towards the $5 billion this government is requiring to offer the tax cut. So in fact this is not about balancing the budget or the deficit; this is about the tax cut. All of this talk about user fees today, the licensing etc, that's a tax grab municipalities will need because the provincial government is going to implement a tax cut. This is not about balancing the budget.

Can I ask you to comment on schedule Q, which talks about interest arbitration? Specifically, what was added to that schedule, the extent to which services may be reduced, those are the kinds of powers that are being given to the arbitrator. When we heard from the fire department yesterday, for example, the representatives, all of our great concern is that arbitrators now are being left to select services in police, in fire—let's see; it goes on—in public service, in hospitals. We're talking about the very services that a hospital board, for example, will determine what services that hospital would provide. If something should go to arbitration, the arbitrator now selects, not those people who are paid to be in charge or a public who is put to be in charge. That kind of skill required to make that kind of determination is being handed out to an arbitrator. Can you comment?

Mr Lewenza: Well, absolutely. I would say to the government members, and the opposition members, those are unfair powers to give an arbitrator. There's no way

that an arbitrator should be mandated to deal with the economics of the community, of the province, of the country. He's there to make a decision based on arguments from both points that have come to a stalemate. I think it's an interesting point, relative to Mr Young, from the questions you directed at me, that we're going to put in an arbitration process that's going to make workers go down to the lowest criteria in terms of wages in the province of Ontario, based on economics. Therefore, they're going to be spending less money to generate movement in the economy, which we're trying to absolutely do with a tax break.

If you take a look at, again, arbitration, what is arbitration for? It's to avoid confrontation. It's to avoid some serious consequences to the community with the police, with the teachers, with the medical profession, and this process is going to lead to more, more and more confrontation. Unfortunately, some will be legal action; unfortunately, a lot of it will be illegal action, as I see it, until those groups of people can get their message heard in the province of Ontario.

So I think it's unfair, and, again, I think it takes the whole intent of arbitration out of the process. As the negotiator representing a hell of a lot of workers and having been involved in a lot of negotiations, I'm not going to go to an arbitrator who's going to talk to me about debt crisis in the city of Windsor and the province of Ontario. I want to go there talking about the issues.

The Chair: Unfortunately, we've exhausted the time for the opposition.

Mr Cooke: Thank you, Kenny. There's been a bit of talk in these questions about the tremendous tax breaks your members are going to get and how happy they should be. I'd just like to know if you think your members understand that they will get an income tax break, most of which will go to the upper-income people. They will then, especially the many workers who are working six days a week, have to pay the new health tax, which is seldom talked about by the Conservatives. So they will save some money.

Mr Young: Not unless they make $50,000.

Mr Cooke: Well, the minivan workers will. They will not have to pay as much income tax. They will have to pay more on a new health tax. But then the big winner in this is going to be the Chrysler corporation, which will no longer have to pay the employer health tax. So this is really a mechanism to shift taxation away from the corporations and on to individuals through the new health tax, through the new user fees, through a poll tax at the local level, through an income tax at the local level. Do you think that, because of the short time we had on this bill, your members are fully aware of that shift that's going to happen over the next few years?

Mr Lewenza: No. You're absolutely right, David. Today they are not in tune with the consequences of a tax cut. That's my responsibility as the president of that local union, to ensure that they understand what comes out in one hand could be taken out of the other hand and that potential of a different society is there. I can assure you again, if you say to workers over the $50,000 tax bracket, "We're going to give you a tax break, but at the same time we're going to charge you a health tax or user fees," the vote will be a resounding, "Keep the tax money and let's have the society that we want for our families and our children for the future."

Mr Cooke: We need to have a debate in this province about what kind of government and what kind of society we want, but I've had lots of calls from my constituency in the last short period of time, and I hear, and maybe you can tell me—you're more in tune with your members than I am—do you think your members want any kind of a tax break if they know that the impact is not only going to be user fees but that there's also this impact, this horrific impact, on the lowest-income people in the province, namely, those on social assistance? I've heard it described as blood money and that they don't want the blood money if that's the impact for our community and our society.

Mr Lewenza: Again, that's a good question, and I can only say, on behalf of the membership I represent, we have a membership that has compassion, a genuine concern for the people who don't have the same benefits and the same wages that they do, and we've proved that over and over and over. Gary talked about the United Way campaign where Chrysler workers gave $1.6 billion. Somebody asked earlier about the infrastructure. We negotiated a fourth shift, and again compromised some of our hours of work, reduced our hours of work in a number of areas, to create employment. Our workers are used to being compassionate to the unemployed, they're used to being compassionate to the people who don't have what we have today, and we do that through our charitable organizations. I can say clearly without question here that our membership, again, supports the fact that government is in power to take care of those people who can't take care of themselves, and that is the reality.

I guess my other point is, it depends again how you word it, but our membership, this community, is full of compassion—full of compassion—and we do so much to rub shoulders with each other. I say to the Conservative members, there's a saying out there today, "Charities are going to have to pick up their socks. Churches are going to have to pick up"—you know, we're maxed out. We're maxed out. Sooner or later, the well breaks. Sooner or later, our members say, "Hey, I need something to survive."

Again, Dave, if you asked our members, if we have a referendum in the plant and say, "Well, this is the idea of the tax break, and this is what potentially could happen"—because we really, again, don't know the whole scope of Bill 26 or any of the legislative changes that are drawn by the Conservatives—the reality is, our workers—you know what our workers are saying? "We have a debt crisis. Let's tackle the debt. Don't give me $6 billion. Let's tackle the debt." I swear to God. I have workers say to me: "Ken, keep my $100. Tackle the debt. Let's maintain our social programs, because that's important for the future of the province of Ontario."

The Chair: Thank you very much, gentlemen, for coming forward today and making your presentation to the committee.

Mr Lewenza: Thank you. We appreciate it.

The Chair: We have a couple of quick housekeeping matters before we break. The first one is that anyone

travelling on the bus should bring their luggage. We have a room down the hall for luggage and Lynn has the key for that, so you may want to check with her and move your luggage into that room. All members should settle their accounts, if you stayed at the hotel last night, by noon, any phone calls and so on and so forth.

We'll deal with Mr Phillips's motion at this point.

Mr Phillips: Right now? Dave, do you want to try and deal with this motion on London right away?

Mr Cooke: Sure.

Mr Phillips: Okay. I'm trying to avoid a problem that's a little bit of embarrassment. I don't know whether the government members have been phoned by the mayor of London's office. She understandably has some concern that she, on behalf of the city, didn't have an opportunity to present. My motion is simply to extend the hearings to 12:30 tomorrow and invite the city of London to present.

The Chair: Any comment from the third party?

Mr Cooke: I, on behalf of our caucus, totally support the motion and think that we should be looking at this and, obviously, other examples. Where the short period for these hearings is not allowing individuals to appear before the committee, we should be looking at more individuals as well.

The Chair: Any comments from the government caucus?

Mr Hardeman: I have no problem with the motion to allow the mayor of the city of London, being one of the largest municipalities in southwestern Ontario and in fact the mayor of the municipality where we will be meeting, but I do have some concerns with the expression from Mr Cooke to suggest that we should be looking at this for a lot of others. If that's the case, I wouldn't be able to support such a motion.

The Chair: The motion is for a 12 to 12:30 extension tomorrow to hear the mayor and I believe the CAO from the city of London.

Mr Phillips: Let's assume, since it's the mayor's office, it's the mayor's presentation.

The Chair: Okay, I'll put the motion. All those in favour of the motion? Motion carried.

We will recess until 1 pm this afternoon.

The subcommittee recessed from 1212 to 1304.

COUNTY OF ESSEX

The Chair: Could I have Mr Schmidt from the county of Essex come forward, please? Good afternoon, sir, and welcome to the standing committee on general government. You'll have 30 minutes to make your presentation, which you may use as you see fit. You may wish to leave some time to field questions from any of the caucuses. I'd appreciate it if you would introduce yourselves for the benefit of the committee and Hansard.

Mr Rob Schmidt: Thank you, Mr Chairman, members of the committee, for this opportunity to be here today. My name's Rob Schmidt; I'm the warden of Essex county. With me today are Vic McMurren, the mayor of Essex and the deputy warden; Pat O'Neil, the mayor of the town of Kingsville and the past warden of the county; Bill Varga, the deputy mayor of the town of LaSalle and also a past warden.

The process that Essex county has followed in reviewing Bill 26 and in coming to some position in response to its content has been threefold. First, Bill 26, more particularly schedule M, pertaining to the Municipal Act and other related acts and amendments, and schedule Q, pertaining to the interest arbitration statute amendments, have been reviewed at the senior administration level; second, Bill 26, along with the administrative comments, was reviewed by the executive committee of Essex county council; and third, that same document, with the input from administration and the executive committee, was reviewed by the full county council at a special meeting for that purpose held on January 3. This is the result of those meetings.

We have, in Essex county, two areas of concern. One is the process and the other is the content of the bill. Regarding process, with all due respect, our concern is the speed with which the omnibus bill is being put through the Legislature. The time line does not allow for full or proper input. It was only last Thursday that we were advised that Essex county would even be allowed an opportunity to be here today as a delegation. The feeling, too, is that we were one of the lucky ones afforded the "privilege," and that word kind of sticks in the throat. Input into a democratic decision-making process should be felt to be a right, not a privilege.

So here we are today, having survived a period of uncertainty about whether we would be heard, and at best only able to prepare and speak to two sections of a bill which contains 17 sections, and, I hasten to add, in an atmosphere which raises the question of whether our opinion will have any impact at all.

The government has already demonstrated that the consultation process is only grudgingly being granted—tolerated might be more accurate—and that Bill 26 will be enacted shortly. It has always been the local contention that good ideas, good legislation, can be defended and sustained on merit. With a majority government very early in its term of office, the rationale for rushing Bill 26 through is difficult to fully understand.

Let me begin my comments on content by saying that Essex county is supportive of many of the changes being addressed in schedule M of the bill. We do not interpret our purpose here today to dwell on areas of agreement; we see this as an opportunity to identify come areas of concern and, hopefully, by doing so to effect revisions to address our concerns.

My comments will now be more specific to the bill.

Under schedule M, section 1: This is a sweeping and far-reaching amendment which places powers of amalgamation squarely in the hands of the Minister of Municipal Affairs. Our concern lies not so much in the concept but in the method, which to a large degree will only be addressed in the regulations and not in the legislation. We have a number of questions, and we don't anticipate getting answers to those questions today; they're rhetorical questions. We would like to have answers eventually to those questions.

Question 1: Will the minister ensure that regulations developed to support the legislative amendment will reflect the sensitivity of the issue being addressed and will call for as much local input as possible?

In the pursuit of efficiency inherent in placing powers of amalgamation more firmly in the hands of the minister, certain process benefits to affected municipalities are lost. The most notable of these is any right of appeal. Instead, the minister or a commission or commissioner appointed by the minister is empowered to arrive at a decision which will be imposed upon municipalities involved. Such a decision will be binding and final. Our preference would be to see the process left as a judicial process which, while binding, does allow for an element of appeal.

Question 2: Will the minister consider amending the role of the commission or commissioner to one that is more positively regarded, such as a mediator or facilitator who reports to a final decision-maker rather than being that final decision-maker?

Question 3: Will the minister consider including a right of appeal into the proposed amalgamation process?

In subsection 25.2(13), entitled "Contravention," it is stated that a personal liability against individual council members will exist under certain circumstances. This amendment reflects an attitude that some members of council would opt to deliberately act improperly in the face of contrary legislation or regulation. In fact, in order for an act of the members to prevail, it would need to have been approved by a majority of a quorum of the councillors. The premise upon which the amendment is based is not only inaccurate but offensive. Any action even remotely falling into this category would surely at best be inadvertent.

Personal liability in this instance is somewhat onerous. How would the question of personal liability be determined if such an inadvertent action of council was decided on a non-recorded vote?

Question 4: Will the minister remove subsection 25.2(13) from the proposed amendments to schedule M of Bill 26?

Section 2, dealing with section 83.1 of the Municipal Act: The minister will be empowered to require information from the municipality which "relates to the efficiency and effectiveness of the municipality's operations." It is presumed that in determining the efficiency and effectiveness the information provided would be measured against some standard or benchmark established for municipalities of various sizes.

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Question 5: Will the minister provide each municipality with an outline of the criteria against which municipal information will be judged to determine the efficiency and effectiveness of the municipality?

Section 6: This amendment deals with sections 209.2, 209.3, 209.4, 209.5 and 209.6, which will allow upper-tier municipalities "to assume a local power to provide a prescribed service or facility for all of its local municipalities." The amendment goes on to also allow a local municipality "to assume an upper-tier power to provide a prescribed service or facility for all of the local municipalities forming part of the upper-tier municipality."

One of Essex county's identified priority issues for 1996 is to promote the sharing of services and facilities at the local level and with the county. In that context, this amendment was seen to help. The amendment, however, refers specifically to prescribed services and facilities.

Question 6: Will the minister consult with local and upper-tier municipalities in its determination of which services and facilities are to be prescribed?

Section 8: This amendment deals with section 210.4 of the Municipal Act, which would allow for the dissolution by a municipality of any local board, as defined in the Municipal Affairs Act, and sets out definitions, process and restrictions. A "local board," as described in the Municipal Affairs Act, includes the school board, public utilities commission, public library board, board of arts management, board of health, police services board, planning board etc. While Essex supports the creation of a mechanism whereby non-elected local boards may be dissolved, it is concerned with the scope of this amendment as set out. This leads to two questions.

Question 7: Will the minister provide in the legislation a list of those local boards as defined under the Municipal Affairs Act which would be excluded from this amendment? Right now there's a lot of confusion about which boards will be excluded. Also, will the minister provide criteria or conditions under which the dissolution of a local board will be deemed to be appropriate? We would like some guidance in that regard.

Section 10 allows municipalities and local boards to generate revenue by imposing fees or charges that cover (a) services or activities provided, (b) costs incurred in the provision of services or activities, and (c) the use of property. Clause 220.1(3)(a) refers to these charges as "fees and charges that are in the nature of a direct tax."

Question 9: Will the minister provide clarification of what is meant by a direct tax, perhaps more clearly setting out the scope of this new revenue-generating power being given to municipalities? There has also been a lot of confusion in that regard.

Subsection 220.1(8) disallows any application to the OMB on the grounds that fees or charges are unjust or unfair.

Question 10: Acknowledging that a bylaw created under this section could in individual circumstances be unfair or unjust, and with clause 220.1(3)(f) allowing exemptions only to classes of persons, will the minister consider allowing applications to the OMB to address these, albeit rare, occurrences?

Section 15: This amendment would allow local municipalities to exercise powers, through paragraph 123 of section 210 of the Municipal Act, on to county roads situated in the local municipality. The result of a county road, designated as such because of usage, location, arterial needs etc, to be chopped up with varying speed limits, weight restrictions and parking restrictions would be chaotic. This amendment is counterproductive and ill-conceived.

Question 11: Will the minister withdraw this amendment?

Section 22: Under this newly created part XVII.1 entitled General Licensing Powers, the municipality regains this right to license businesses lost earlier in the repealing of section 109, amendment 3. While this more general, more enabling licensing power is welcome, clause 257.3(b) seems to go beyond the norm. In fact, as

this section is being understood locally, it permits discrimination based upon the expectation of lawlessness, dishonesty or lack of integrity. Our contention is that this power is dangerous and unnecessary.

Question 12: Will the minister withdraw this section from the amendment?

Section 48: Referring to the Public Transportation and Highway Improvement Act, this amendment and others that follow eliminate the responsibility of the province to share in the cost of county or local construction and/or maintenance. While Essex supports this movement away from a conditional grant arrangement for roads, the province is the recipient of gasoline, automobile and automobile parts sales taxes which by definition are designed for roadway construction and maintenance purposes. With the removal of any legislated fiscal responsibility in this area, the tendency over time may be to continually decrease the new municipal support grant to extinction in spite of receiving revenues specific to the expenditures which are made locally under this grant, namely roads.

Question 13: Will the minister consider establishing some minimum level of municipal support grant below which the province will not go, to reflect the need for a standard, province-wide, minimum level of infrastructure quality in order to attract industrial development, tourism and other potential revenue sources which are of a direct benefit to the province?

Question 14: Will the province acknowledge a responsibility to provide specific funding for connecting links between parts of the King's Highway or as an extension of the King's Highway to reflect the corresponding demand for enhanced maintenance or construction which normally accompanies this type of roadway?

Section 53: Particulary sections 53 and 56 will begin to pit municipality against municipality. This is neither productive nor desirable. In the long run, no one will win. Areas of the province will begin to show signs of wear and tear, to the detriment of any economic development or tourism trade. Everyone will lose. An example of this detrimental impact is evident in the repeal of section 53, whereby 80% grants by the province to counties for the repair and maintenance of county bridges on local roads are gone. These bridges were assumed by the county because of the high cost to a local municipality in maintaining a longer than normal bridge, of necessity—in excess of 80 feet—which experiences relatively low traffic.

Question 15: The response to this problem at the county level may be to transfer the ownership and responsibility for the maintenance of these bridges back to the local municipality in which they are situated. Will the province take this into account when setting the Ontario municipal support grant level for local municipalities which host these bridges?

Section 54 eliminates suburban roads. The rationale for the existence of suburban roads has been discussed time and time again. The rationale, however, remains that roadways adjacent to or leading into a major urban centre but located outside of its boundaries are of an undeniable benefit to the major urban centre. The transport of raw materials, heavy manufactured goods, farm produce, shoppers, skilled tradespeople etc into major urban centres creates high and heavy traffic, which puts an inordinate need for maintenance on these designated roadways. It's only fair that the major urban municipality which benefits from this situation should assume some level of the cost incurred.

Question 16: Will the province consider a continuance of suburban roads or, in the alternative, create some legislation whereby major urban municipalities are required to share in the cost of maintenance and upkeep of these roads?

Section 55 eliminates urban rebates. Urban rebates from the upper tier to towns and villages within its boundaries have a specific purpose. The burden placed upon towns and villages to carry the costs for higher-than-usual-traffic roadways, to the benefit of surrounding townships as well as themselves, and then to contribute fully to the county road system without some adjustment for this disparity is unfair. Urban rebates as they currently exist compensate at least partially for this inequity.

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Question number 17 then is, will the province consider a continuance of the urban rebates?

Section 64: This amendment repeals section 100, which gave authority to the road superintendent to initiate and carry out proceedings under the Drainage Act and the authority to file or receive notices ordering the procedures prescribed under that act.

Question 18: Why is this efficiency which eliminates unnecessary costs and delay in the commissioning of a drainage report being discontinued where a municipality exercises its option to engage a road superintendent on staff? Our local municipality has needed to do this for the preservation of infrastructure as well as for public safety reasons. Just in the past year alone we required ministerial approval on an emergency basis to do so. Without this portion in the act, there might be some problems.

One general comment on schedule M: In several instances throughout the proposed document, amendments were put forth the effect of which would eliminate any need for public consultation by a municipality, provided an action was performed by bylaw. It was emphasized in our discussions that a strength of municipal government is its capacity for public consultation and that any tampering with that characteristic should be resisted.

Finally, the ability to respond meaningfully to proposed legislation in the absence of any corresponding proposed regulations brings the whole effort into question. Too often the real concerns lie in the how rather than in the what. The difficulty in your addressing this dilemma is appreciated. However, this consultation process would have been much more meaningful if some idea of the direction of proposed regulations had been shared.

We have some comments and questions on schedule Q. While the new expectations being placed on arbitrators are welcome, it is suggested that some additional amendments be offered for consideration. They are as follows.

In making a decision or award, the board of arbitration shall consider the following criteria:

(1) The employer's ability to pay in light of its fiscal situation and without any increase in taxation.

The rationale: Arbitrators in the public sector have historically found that the ability-to-pay arguments would not be applicable nor acceptable on the basis that municipalities could offset the awards through the tax levy. Thus, if the act does not specifically define the ability to pay precluding increases in taxation, the arbitrators will be tempted to award increases on the assumption that they can be paid for by an increase in taxation.

(2) The extent to which services may have to be reduced by a municipality if the current funding and taxation levels are not increased.

The rationale: Further to the rationale set out in number one above, the criteria proposed in the bill need to be amended as per this proposal, ensuring that the power to set municipal service levels can only rest with the local political body of the municipality.

(3) Number three is acceptable as proposed.

(4) A comparison as between the employees and other comparable employees in the broader public and private sector geographically akin to the municipality.

The rationale: Comparisons geographically will not be disproportionate for the general community akin to the municipality, including the private sector.

(5) Number five is acceptable.

(6) A board of arbitration will not make an award or decision that exceeds a freely negotiated agreement by any other bargaining unit of the employer municipality in a similar or substantially similar time period.

This is new. The rationale is that it's been determined by any number of arbitrators that the role of an interest arbitrator is to arrive at an award or decision that would replicate what the parties would have otherwise reached in a freely negotiated settlement or agreement.

The county of Essex has chosen not to comment on all parts of Bill 26, only those parts most directly concerning the county and its member municipalities. We have not commented on the portion affecting conservation authorities but wish to clarify that we certainly do not endorse the harsh treatment CAs have received in their transfer cuts or Bill 26. Municipalities aren't qualified or prepared to fill in the void if CAs are destroyed. We believe the long-term environmental impacts of your actions concerning CAs have not been fully considered.

Finally, some personal general comments. This Bill 26 is touted as giving municipalities the power and flexibility they need to deal with the provincial transfer cuts, but for every power given to municipalities in this bill, a far greater overriding power has been given to provincial ministers, and that's scary. The very future of local municipalities will be decided by regulations designed by provincial bureaucrats who do not know our area, our people or our circumstances. The municipalities did not cause our provincial financial problems; they were caused, in some cases, by the very bureaucrats who would now tell municipalities how to restructure.

We, as municipalities, are and have always been willing to deal with our fair share of the financial pain. We can and will put our own houses in order. We can even restructure. But the end result must make sense. We only ask for the assurance that we be given some respect, that we be treated as the true partners the province keeps telling us we are. Unfortunately, neither the content of Bill 26 nor the process of its hurried passage gives us those assurances.

On behalf of Essex county, I would like to thank you for hearing us today. I apologize for the length of our submission. I don't see how it could have been shortened much. Our intent was to respond to Bill 26 as it refers to schedules M and Q in a constructive way. Your attention and interest is appreciated. If we have some time, we'll try to answer some questions.

The Chair: We have about two minutes per caucus.

Mr Crozier: Warden Schmidt, gentlemen, I don't think you have to apologize for anything. It's one of the most comprehensive and thoughtful presentations that's been made to us last week and the beginning of this second week that I've been sitting on this committee.

As is the custom, generally there is a government member here to answer questions on behalf of the bill and carry the bill. I don't think we have that today, although we have the parliamentary assistant to the Minister of Municipal Affairs and Housing here. I would hope he would grant the request that these very thoughtful questions are answered. I would like your reply to that on the record, if I could.

If you could very briefly, warden, roads are a big part of the expense of the county. I know you've pointed out in question 16 the concerns regarding suburban roads. I just wonder if you might want to make a brief comment with respect to those.

Mr Schmidt: Suburban roads commissions have been built over a long period of history. There was a reason for that; there was a need for that. The benefits are both for the county and for the urban municipality that pay into it. The problem without that structure is, how do we set those priorities? How do we work with the city on deciding future transportation routes in and out of the city? How do we account for the increased spending required by those roads, which doesn't always initiate within the county but quite often within the city? It is a serious problem and it is going to be a serious budgeting problem as well for the county.

Mr Cooke: I would like to begin by asking, as wouldn't be out of the usual, that this brief not only be tabled, but we ask that the questions that have been contained in the brief be submitted to the Ministry of Municipal Affairs and that the committee ask for a written reply to the specific questions that have been asked on behalf of the committee and that they be tabled with the committee before our deliberations are completed, if I might.

In the minute and 30 seconds that I have left, I think, and you can tell me whether I'm wrong, you've listed some concerns about potential taxes, which boards might be included in boards that can be eliminated; there's a whole series of questions that you've asked that cannot be answered by the committee, because they'll only be answered by the regulations, which we haven't seen. It's my strong feeling that after the public hearings on this bill, the draft regulations should be sent out for public hearings, because that's the real guts of the legislation.

I guess what I'd like to ask you is, do you have any understanding through AMO about what role you're going to play in the development of those regulations?

More importantly, do you really believe your long-term interests as municipalities are going to be protected by having certain protections built into regulations which can be changed without notice by cabinet and no public hearings and no public input?

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Mr Schmidt: One of our main concerns with the legislation is the requirement that the regulations pretty well determine the full impact of it. It's a very real concern that our municipalities and the county have, yes.

Mr Cooke: So I suspect then that you would like to see more of that in the legislation as opposed to the regulations. You understand on a long-term basis what the rules of the game are.

Mr Schmidt: The legislation is so general that without the regulations we really don't know where we're heading. We have to have some of those criteria and some of those guidelines put into it.

The Chair: To the government caucus, Mr Hardeman and then Mr Tascona.

Mr Hardeman: Good afternoon, warden. Thank you for coming in. Going back to the question of Mr Cooke about the regulations and the minister naming the boards which could or could not be resolved by the municipality, AMO's position in the past has always been that all boards, special purpose bodies, should be under the authority of local governments.

Mr Cooke: School boards?

Mr Gerretsen: Police commissions?

Mr Cooke: I don't think so.

Mr Hardeman: That's been their position. Now, there are some exemptions. As was mentioned by Mr Cooke, they have not in the past wanted to take over school boards. They've wanted to completely dissociate themselves from school boards. The question is, do you feel that the legislation to meet the needs of the county should be changed to allow total dissolution or total discretion to the municipality, or do you think the legislation should become restrictive and tell municipalities which ones could and could not be dissolved?

Mr Schmidt: We referred only to non-elected boards, so that kind of leaves out the school boards. We would like some guidance and some direction from the province. We understand that there have been a number of exemptions being promised and being discussed at the provincial level. We would like to know which boards are off limits and which ones aren't. That's all we want to know. But we follow the AMO—

Mr Hardeman: —you are with AMO, that you would like as many as possible under the local jurisdiction.

Mr Schmidt: Municipalities have always felt that they're responsible for the taxation; they should be responsible for the implementation as well.

The Chair: Unfortunately, Mr Tascona, we've exhausted the time. I'd like to thank you gentlemen for coming forward today to make your presentation.

Mr Phillips: It is agreeable to the government that we will get to respond to those questions?

The Chair: We can make that request.

Mr Phillips: Is that all right with you, that you'll actually respond to these questions?

Mr Hardeman: I don't know. I didn't listen to the individual questions. Whether I can answer them today, I'm not sure.

The Chair: I think the request has been that it be submitted to the ministry.

Mr Hardeman: It will be submitted to the ministry.

The Chair: To have some questions back—

Mr Hardeman: I cannot speak to his response; I can speak to submitting it to the minister.

Mr Cooke: It would not be an unusual request. We've asked several questions as committee members and then the information has been tabled with committee. I'm just suggesting that these questions be tabled like the other questions and that the answers be tabled with the committee.

Mr Hardeman: I might say that we will forward the request to the minister, and the presentation, and we will hopefully have the answers back to the committee. I cannot speak to what the answers will—

The Chair: Thank you.

Mr Crozier: That's not quite good enough.

Mr Phillips: Just on the same point, on December 20 I asked for some information to be tabled. I think the government indicated that on interest arbitration the ability to pay has been a relevant factor to consider and it's codified in other jurisdictions of the country. I asked for that to be tabled, and I think the same thing was mentioned again earlier today, that the ability to pay is codified in other sections of the country. We were told in our briefing that this was not the case, so I'd just like the government to clarify it. Is it the case or is it not? That was requested on December 20 to be tabled.

Mr Tascona: If I may respond to that, the mandated criterion is in other jurisdictions, and in particular with respect to ability to pay, it's a relevant consideration. You'd have to look at the legislation, but certainly a mandated criterion for arbitrators is in other jurisdictions.

Mr Phillips: Mr Chair, all I'm asking is for that to be tabled. I asked for that on December 20; we haven't seen that yet.

Mr Tascona: I have copies of the legislation if you want to look at them.

Mr Phillips: Table them. That's what we're asking.

Mr Tascona: You said you had copies yourself.

Mr Phillips: The government has indicated that these things exist. I just simply want them tabled. If they don't exist, then don't table them. If they do exist, table them. But we are owed that.

Mr Tascona: I'll table them. You have the same access that I do. It's basic legislation in every other province. You can get it yourself.

Mr Phillips: This is crazy.

Mr Cooke: What an arrogant—you're the government. You're supposed to provide that information to the committee for the record.

Mr Tascona: It's legislation from other provinces, Mr Cooke.

Mr Phillips: I think the public has some idea of what we're dealing with here. I asked for that to be tabled two weeks ago, December 20.

The Chair: We'll attempt to get something tabled for the committee to that effect.

ESSEX REGION CONSERVATION AUTHORITY

The Chair: May I please have a member from the Essex Region Conservation Authority come forward? Thank you for being here today. You'll have half an hour today to make your presentation. You may use your time as you see fit. You may decide to leave some time at the end of your presentation for questions. I'd appreciate it, for the benefit of committee members and Hansard, if you'd read your names into the record before you begin.

Mr Pat O'Neil: My name is Pat O'Neil. I'm the chair of the Essex Region Conservation Authority. With me is Sheila Wisdom, who is the vice-chair of the conservation authority, and Ken Schmidt, who is the general manager of the authority.

I'd like to thank you for the opportunity of being allowed to make a presentation today. I share the view of the last delegation, the county of Essex, regarding the process, concerns regarding the haste of the passage of the bill; the fact that these hearings are being held but it's thought that they're being held somewhat begrudgingly.

I'd like to point out somewhat my background as it affects my views and my comments. I'm here speaking today as the chairman of the Essex Region Conservation Authority. I've served on the authority as a municipal representative for 10 years. I'm also the mayor of the town of Kingsville. I've been on municipal council for 14 years. In 1991, I was elected and had the privilege of serving as warden of the county of Essex. Mr Hardeman knows 1991 was a good year for wardens. Last but not least, I'm a lawyer in private practice in Kingsville.

We realize that the committee has already heard representation from the Association of Conservation Authorities of Ontario on behalf of all 38 conservation authorities in the province. We will try not to overlap in our presentation. We would point out that that presentation was made early on in the process, when I do not believe all the full implications of the bill that we're dealing with today were available.

We fully recognize the need to eliminate the provincial deficit in order to ensure that the economy of Ontario is strengthened. We support and are anxious to work with the government to achieve that. Given our working relationship with municipalities, we strongly endorse a clear shift to increased local decision-making, as intended by Bill 26.

Conservation authorities' records of cost-effective and efficient delivery of environmental service give us unmatched credibility. We know that we can make a real contribution because we embrace the businesslike approach that this government is advocating.

Our frustration is that we have been shut out of the process and our fear is that, as a result, some very basic concepts regarding the environment and its role in strengthening the economy are being ignored. We're here to go on the public record to say that the serious impact of Bill 26 related to environmental issues demands that we speak out. To remain silent would be a betrayal of the public trust and the work of those who have gone before us.

To put this concern in context, we must bear in mind that restrictions to conservation authorities in Bill 26 are in addition to a 70% cut from the province of Ontario as outlined in the economic statement. These two factors will make it extremely difficult for conservation authorities to maintain their capacity to assist municipalities in watershed-based resource management. Again, you heard the prior presentation. The county has made it clear that local municipalities are not in a position to take over these obligations.

It's ironic that when the George Drew government of 1946 established conservation authorities, they did so because there was a clear recognition that the economic viability of the province was dependent on fixing serious environmental problems. Deforestation had led to massive soil erosion, polluted waterways and more frequent and more serious and more costly flooding province-wide. We need to remember and learn from that era. As Winston Churchill said, "Those who fail to learn from their history are doomed to repeat it."

For 50 years conservation authorities have been doing an excellent job in resource management, in large part because of three important founding principles: local decision-making, managing natural resources on a watershed basis and a partnership between the province and municipalities. Those principles have helped authorities develop a delivery system which has proven to be more efficient and more economical than any other alternative. In fact, it wasn't until the 1970s and the establishment of the Ontario Ministry of Natural Resources that there had been a problem with overlap and duplication, which appears to be a focus of this legislation.

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Managing the environment is a long-term job that transcends political boundaries and parties. The government must ask itself some tough questions about environmental management. The public of the 1990s here in the Essex region, and we believe across the province of Ontario, demands it.

If conservation authorities do not remain strong and viable, what is the government putting forward as a mechanism to address Ontario's environmental needs and, by extension, our province's long-term economic health? Our overriding concern about Bill 26 is that it has the capacity to completely destroy in one or two years what has taken 50 years to build, and it appears that there's no viable alternative environmental plan being put forward.

By way of some background in the Essex region and how it fits into the big picture, we should point out that every region is unique. As a result, every conservation authority is unique and every authority deals locally with environmental issues which are part of a much broader environmental and economic picture.

The Essex region is surrounded by water on three sides. Every watershed in the region flows into and affects the Great Lakes watershed directly. In fact, all conservation authorities in the province and their watersheds directly affect the Great Lakes ecosystem, the world's largest single supply of fresh water.

It is vital that while dealing with details of Bill 26, municipal and provincial responsibilities, conservation authorities' mandate etc, that we keep that bigger picture in mind: that action or inaction within any watershed

affects much more than any one political jurisdiction. In fact, Ontario's environmental obligations go well beyond the boundaries of the province.

As David Crombie recently said, "Everything is connected to everything else." Within a watershed, everything is connected to everything else through water courses and their tributaries. Do something good for the environment upstream and it will have a good effect downstream. Degrade the environment upstream and there will be consequences downstream. Using this natural watershed approach has earned conservation authorities international recognition.

The Essex region did not establish the conservation authority till 1973. The region has truly unique natural resources, some even on a national and international scale, such as Carolinian forests, tall grass prairie, Alvars wetlands and very extensive shorelines. In 1973, the quantity of these resources was very limited and the resources which remain were threatened. Many still are today.

For instance, the region has less than 4% tree cover, the lowest amount in the province. Less than 2% of the landscape was made up of publicly owned and protected natural areas. The UN's Brundtland commission has stated that at least 12% of the landscape must be conserved in a natural state if sustainable development is to be achieved.

The point is that we had vital and unique resources which were gravely threatened in 1973. The process we have begun to make is good but far from complete. In 1973, there was a clear need for restoration efforts, a clear need not just for specific projects, such as flood control, but a diverse conservation program throughout the region. These challenges could not be addressed through provincial programs. At the same time, they just transcended municipal boundaries and could not be effectively dealt with individually by separate towns, townships and cities.

The Essex Region Conservation Authority was formed because there was a distinct need for a body which could bridge the gap between municipal and provincial capabilities to provide stewardship of natural resources from a watershed perspective. In our 20-plus years, we have made remarkable progress, but there's still much that remains to be done. These success stories that are fully enumerated, and they're on page 6 there for the record but I won't read them to you because of the desire to have an opportunity to answer questions, those success stories and many more have been made possible through a municipal levy of less than $2.50 per capita. Nowhere is there more important environmental work completed at less cost.

These successes have come about because the Essex Region Conservation Authority has existed and has had the capacity to serve its 23 municipalities individually for projects important to them and collectively on many initiatives which have involved environmental issues which are intermunicipal in scope.

The worst assumption you could make about this region or the province is that our environmental work is complete. Bear in mind that the Essex Region Conservation Authority has just existed for over 20 years, after a period of some 200 years in which there was virtually no stewardship of the region's environment. A great deal, in fact, remains to be done. For instance, the new policy statement under the Planning Act will require a considerable involvement by conservation authorities in assisting municipalities with their new approval process.

The public has expressed strong concern over perceived threats to the environment due to the increase in local control over planning issues. However, our track record supports local decision-making, and we have credibility with naturalists, development interests and municipalities. Our role will be crucial in the years to come if this new approach to planning is to be successful and environmentally sound. To quote a Windsor Star editorial of Friday, January 5: "One safeguard would be a clear and strong role for conservation authorities to monitor development and provide the kind of expert advice and technical input that would lead to responsible decisions and avoid irreversible mistakes."

For the next section I'll call on Sheila Wisdom, vice-chair of the Essex Region Conservation Authority. Sheila also is a long-standing member of the Windsor city council and has been a member of the ERCA board since 1989.

Ms Sheila Wisdom: Mr Chairman, ladies and gentlemen, it's my pleasure to speak to you today. I should also tell you that I have been on city council since 1989, and during that time assisted in the development of the city of Windsor's fiscal fitness policy, and Mr Duncan can tell you that the city of Windsor has had the lowest mill rate increase, cumulatively, in 1992 of any municipality with a population of over 150,000, so I appreciate the need for restructuring and the need for reorganization.

With that in mind, though, I make the following comments about concerns that we have regarding Bill 26, some of which are broad in scope and some very specific.

First of all, the conservation authorities provide a forum for municipalities to pool financial and technical resources, and more importantly, to mutually agree on the priorities of which problems to solve first and the best solutions to employ. This mechanism is not adequately addressed in Bill 26 regarding the Conservation Authorities Act.

Limitations are far too extreme regarding programs and projects eligible for provincial grants and municipal levy. Being limited to maintaining flood control structures and paying taxes on provincially significant conservation lands virtually eliminates the very strength of a watershed approach to resource management. There is no mechanism to ensure that the will of the watershed majority can be enforced. The decisions of one municipality can thwart the will of the majority.

Conservation authorities will no longer be able to assist municipalities to safeguard residents and their property from flood and erosion hazards due the lack of provincial support for comprehensive watershed management. As stated in recent correspondence from the city of Windsor, municipalities have expressed concern that they rely on conservation authorities to address this issue through their expertise, and without authorities the municipalities will be facing serious liability issues.

The initial focus on facilitating the dissolution of conservation authorities is irresponsible in that it ignores the conservation authorities' proven 50-year track record while providing no environmental management alternative. We are very concerned that the mechanism identified could result in an authority being dissolved by as few as a third of the representatives of a conservation authority. There is need for a decision-making framework which will permit majority rule.

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The conservation authority program has always been based on provincial-conservation authority partnership. We were disappointed that we were not consulted in advance regarding Bill 26. In fact, the Ministry of Natural Resources' program review and the review of conservation authorities led by the parliamentary assistant to the Minister of Natural Resources have not been shared with conservation authorities. I will add here anecdotally, though, that I did attend a meeting of ACAO, and Mr Klees at that time did offer to share that information, so I assume that has been done or will be done shortly. We still think that there is need for meaningful consultation and we are committed to work with the province towards that end.

Bill 26 contains no environmental vision for Ontario, and in its current form will result in a patchwork quilt marked by inconsistent watershed management province-wide. There must be a level playing field among municipalities and regions in the form of consistent environmental policies. We need to ensure that these policies are not simply based on the lowest common denominator and that shortsighted, short-term enticements don't sacrifice our environmental legacy for future generations.

It is worth noting that Ontario has been held in high esteem, worldwide, for the watershed approach in resource management employed by conservation authorities. Saskatchewan, Michigan, British Columbia, Austria and New Zealand are just some of the other jurisdictions which have consulted conservation authorities because of that approach.

Bill 26 and the provincial economic statement make no provision for implementation of any of the recommendations contained in the series of three blueprint documents submitted by ACAO. Our concern over this omission has been magnified by extensive local support for these recommendations expressed by developers, lawyers and consultants to the development industry, and you have copies of that correspondence. This community-based watershed conservation outlined in the blueprint document will create an efficient system that helps individuals, communities and municipalities manage their own natural resources.

Conservation authorities would support community management with watershed information, advice and technical services, coordinated regulatory services and coordinated management of lands held in the public.

Bill 26 is clearly downloading on to municipalities which are ill equipped to address environmental responsibilities previously handled by the province and conservation authorities. Continued funding of conservation authorities will reduce not only downloading but concerns over liability. We have a major concern that what may be viewed as cost saving for the province now will, in the long term, cost far more. By investing $34 million in conservation authorities, the province can achieve far more for the environment and the economy than through any other alternative.

We believe conservation authorities and the province can sit down and work together. It is not too late to bring about positive change which meets the need provincially for fiscal constraint while at the same time continuing to meet our provincial and watershed environmental needs. The Essex Region Conservation Authority fully endorses the widespread support for lessening provincial administrative approvals and intervention as one means of streamlining resource management.

The following are our additional recommendations regarding Bill 26:

Recommendation 1, as noted by ACAO in its submission to this committee dated December 19, 1995: that the proposed amendments to section 27 of the Conservation Authorities Act be amended to provide a mechanism to allow member municipalities to agree on a majority basis to services and levies other than flood control. This formula for levying should be in legislation, not left to regulation.

Recommendation 2: that bill 26 be amended to reflect the concepts put forward in the ACAO's Restructuring Resource Management in Ontario: A Blueprint for Success document and to facilitate the one-window and other streamlining initiatives confirmed therein.

Recommendation 3: that the section 21 amendments be revised to reflect the process of dissolution of a conservation authority requires the support of a majority of the representatives of the municipalities constituting the authority.

Recommendation 4: We support the recommendations previously submitted by the Association of Conservation Authorities of Ontario. If those recommendations and those listed above cannot be accommodated within the time frame set for passing Bill 26, we recommend that matters pertaining to amendments to the Conservation Authorities Act be deferred pending further public review.

In addition to the recommendations offered specific to Bill 26, we strongly recommend that the province of Ontario renew a commitment to meaningful grant funding of a watershed-based resource management through conservation authorities.

Mr O'Neil: By way of conclusion, the people of this region and the province are passionate about the need for a healthy environment. We heard that loud and clear during our own strategic planning process. Residents want clean air, clean water and protection of their natural heritage. The public will not simply go away on this issue. Worldwide, there is now the knowledge that the environment and the economy are linked. Some environmental policies are very compatible with strong economic policy. Neglecting the environment for what are perceived as short-term economic fixes is in fact long-term economic folly. We need only look to health care where there is clear recognition that in order to have a proactive, cost-effective health system, we must have a healthy environment.

Bill 26 substantially weakens conservation authorities' ability to assist municipalities in meeting community needs for healthy, safe environments in all the watersheds of Ontario. Conservation authorities are the best vehicle for the government to achieve many of its objectives: greater local control, accountability, cost-effectiveness and long-term economic and environmental health at a cost which is the most reasonable and through a system which has proven itself for 50 years.

Our recommendations offer the province an opportunity to continue to work with conservation authorities to address economic and environmental concerns through a proven program which supplies three to four dollars locally for every dollar provided by the province.

Please consider our recommendations seriously and look at them closely as you re-evaluate Bill 26. The quality of life of Ontario residents depends on what you do. A sustainable environment and a sustainable economy, which we all want to pass on to future generations, depend on it too.

I'd just like to repeat the portion of the county of Essex brief where they said they do not endorse the harsh treatment of conservation authorities that they've received in their transfer cuts, or Bill 26; and where they state that municipalities aren't qualified or prepared to fill the void if conservation authorities are destroyed; and that they believe that the long-term environmental impacts of the government's actions concerning conservation authorities have not been fully considered.

Thank you for the opportunity for the presentation.

The Chair: We have about two and a half minutes per caucus, starting with Mr Silipo.

Mr Silipo: Thank you very much for the presentation. I guess it's really that last point that I wanted to address, where you refer back to the previous presentation as well. There's something that continues to come at us in these hearings. Of course, one of the things that the government claims is that they're trying to provide more freedom for decisions to be made at the local level, and yet on the taxation side we see how that is, in our view at least, inconsistent. But it's this sense that when it comes to conservation authorities, that work could be just subsumed or easily done by a municipality. Your brief I think makes that point very clear, but if you want to add any more comments, please feel free to.

I guess the essential question I have for you is, is there anything in Bill 26, as it relates to conservation authorities, that in your view there is a great urgency about, in terms of needing to get it passed within the next couple of weeks, as the government is wanting to do?

Mr O'Neil: Not so at all, unless it's their desire to reduce the funding by 70%. It's clear that local municipalities do not have the expertise. Our particular authority employs, or did employ, some 30 people and as a result of the cuts that employment is being substantially reduced already.

The expertise is there—expertise on water quality, specific engineering concerns that are not at a local level—so they're going to have to engage those professional services outside of conservation authorities. The problem is that what the conservation authorities do is to deal with the environment, and you're not able to say that the harm to this watercourse ends at this local municipality boundary. It transcends several municipalities, so it requires a concerted effort that can't be done by individual municipalities acting on their own.

The Chair: Mr Klees, for the government side.

Mr Klees: Thank you for your presentation. I was just disappointed that you left out the last sentence of article 7 on page 9 in which your brief states, "It is also very noteworthy that Mr Klees has expressed support for the concepts contained in the blueprint document."

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Ms Wisdom: My apologies, Mr Klees. I was reading quickly.

Mr Klees: It's been a tough day and every once in a while, we would like to get some reassurance of some positive things that we're saying.

Mr Duncan: Withdraw the bill.

Mr Gerretsen: Which Mr Klees is that?

Mr Klees: If I might, for the record, assure you that we do support the work of conservation authorities, and we consider that conservation authorities are critical to this province. You clearly pointed out that you endorse a clear shift for increased local decision-making. We, as a government, believe that along with that increased local decision-making should also come the increased fiscal responsibility.

What we're simply saying, and we've communicated this to the conservation authorities across the province, is that the responsibility for funding should come at the local level, and we encourage municipalities to work with the conservation authorities over the next number of years to continue to do the kind of work that you've done in this province.

We have sent that signal clearly and we look forward to working with you to achieve that, and I think there are some details that have to be worked out. As you know, we've formed an interministerial committee to work with the conservation authorities. You've been invited to participate on that, and many of the issues that you've raised are legitimate and we look forward to working with you on that.

Mr O'Neil: Mr Klees, while you're indicating support for the documentation and for the conservation authorities, the financial response by way of the severe cuts, some 70%, indicates a different view.

Mr Klees: Let me respond to that. I think that what we have indicated is that it's time for the province to fund those critical provincial interest issues which we've identified as flood control. If there are other aspects that the conservation authority wants to enter into along with the municipalities, those things should be funded by the municipalities.

Your particular authority, if I'm not mistaken, spent some $500,000 on acquiring an abandoned railroad track to provide a walking trail. We don't believe the provincial government should be funding that. If the local municipality feels that in conjunction with the conservation authority that's where the money should be spent, then you should be free to allocate those funds, but the province will not—

The Chair: Thank you, Mr Klees. Sorry, you've come to the end of your time. The opposition caucus.

Mr Crozier: Mr O'Neil, you didn't get the opportunity to respond, and since we have such limited time, I'd like to give you that opportunity to respond to Mr Klees in that respect.

Mr O'Neil: Again, my response is that, yes, you've indicated support and, yes, you've said you're in favour of the Blueprint for Success, those are your verbal positions, but the dollars determine what we can do to protect the environment, and you've advocated block funding for municipalities and you've taken away block funding for conservation authorities. You've indicated that conservation authorities only can spend the small amount of money that we received, and it should be kept in mind it was a very small amount of money province-wide that authorities received versus the benefit that the province has received.

Mr Crozier: Mr O'Neil, the disbanding of conservation authorities seems to be the theme or the concern of the submission that was made to us by the association. You have shown less concern and a more optimistic view, if I can use the word "optimism," but can you give me an example or give us an example of what would happen with some facilities in Essex county if a local conservation authority was disbanded and what might happen if it's left up to municipalities?

Mr O'Neil: Many of the facilities that we have in the county do not fit in the so-called core mandate of flood control. We've got Hillman Marsh, Holiday Beach, numerous conservation authorities that aren't flood control, and yet they're very important to the residents of this county but also important to the environmental health of the county.

Sheila just wanted to make a response too.

Ms Wisdom: If I might, to respond to Mr Klees, we ask that you look at the limits that you have put on the funding and the uses that you have limited that funding for, and I don't suffer any illusions that all of a sudden, having come here, you're going to turn around and have a change of heart and we'll have bags of money. But I do ask that you look at the areas that you have limited the funding for. I think that severely hampers the conservation authority. In your comments about A Blueprint for Success and your emphasis on the importance of conservation authorities—we also, in our submission, make reference to a patchwork quilt. I think if individual authorities have to negotiate with their own municipalities and with various ministries for various kinds of work and taking over various areas of service, we will have a patchwork quilt and I don't think we will be getting the best bang for our buck. I don't think that there will be consistency across the province and I think that over the long haul we'll be revisiting that.

What I am asking your government to do is to work with ACAO to ensure that at the provincial level there is an opportunity for all conservation authorities to actually make A Blueprint for Success a reality. That will require provincial intervention. It cannot work if it is done at the local level. It's that simple.

The Chair: Thank you very much, all of you, for coming forward today and giving your presentation to the committee.

MUNICIPAL ELECTRIC ASSOCIATION

The Chair: Could I please have representatives from the Municipal Electric Association come forward? Good afternoon, gentlemen, and welcome to the committee. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I would appreciate it, for the benefit of Hansard and for the committee members, that you read your names into the record before you begin.

Mr Elvin Martin: Thank you very much, Mr Chairman and members of the committee. My name is Elvin Martin. I am the chair of the Municipal Electric Association and also the chair of Waterloo North Hydro and, I might add, an elected commissioner. On my left is Mr Jim MacKenzie, president of our association and the general manager of Guelph Hydro; on my right is Mr Tony Jennings, our association's CEO; and on my far right is Mr Kent Edwards, the general manager of the Windsor Utilities Commission. Since we are in Windsor, we thought it would be appropriate to ask Kent to join us. He will be submitting a brief as well and this will be done separately.

Thank you very much for this opportunity. The Municipal Electric Association represents Ontario's 307 municipal electric utilities, which deliver electricity as a local service on a full-cost recovery basis with no recourse to taxes. These hydro-electric commissions operate on a not-for-profit business basis, responding to the needs of local residential and business customers. The MEA's role is simple. We exist to help our members provide quality, cost-effective service to their customers. We help utilities speak for those customers.

Despite the magnitude of the proposed legislation, we do not plan to take much of your time. We will focus only on matters of direct interest to our members and our customers. I expect to take about 15 minutes to focus on three specific areas. First, we want to express our support for some key direction of the government. Second, we want to publicly thank the government for correspondence from the ministers of Environment and Energy and of Municipal Affairs and Housing, and for agreeing to involve the MEA in the separate review of the Municipal Act. Third, we want to share some longer-term concerns about schedule M of this bill.

Let me begin with number one: fiscal management, local decision-making and accountability. On my first point, the government favours effective fiscal management, local decision-making and improved accountability. Electricity is one public service which has, virtually from its inception, been delivered on a full-cost recovery basis with no demand on taxes. The municipal level of government already normally functions without operating deficits. We support the government's efforts to make the provincial level of government live within its means as soon as possible. The government should support and promote approaches which have been shown to work.

We believe the government should promote consideration of extending the public utility concept to encompass other municipal services which can function on a full-cost recovery basis. Time does not allow us to go into all of the advantages from organizational, accounting, legal or

public relations perspectives, but we believe the public utility customers are well served and this government should support broader use of this concept.

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Windsor Utilities Commission is also responsible for water services and Mr Edwards's brief addresses this idea in more detail. But before I move on, let me make one point. Our experience suggests that members of the public accept the user-pay, full-cost recovery approach of the distinct public utilities commission. Public utilities commissions are accepted as non-profit businesses. During the last municipal election, there were referenda on abandoning the public utility approach. These were strongly defeated by the electorate.

We recognize that the government's fiscal restraint is going to create more pressure on local services. We also understand that many municipal councils have concerns about those special-purpose bodies they are required to fund but over which they have less than adequate influence.

However, the municipal electric utilities are unique. Unlike most local special-purpose bodies, current legislation requires us to run solely on our own revenue. We run as non-profit businesses, largely debt-free, and collectively our unencumbered assets approach $9 billion. Our local costs represent, on average, only 15% of the cost of electricity and yet, through local efforts in the last few years, many of our members have been able to reduce that 15% in order to provide rate reductions.

We believe, and many of the public believe, that public utility commissions serve and reinforce the financial goals of the government. I don't need to emphasize local control in decision-making. The government has often spoken on this topic. Aspects of schedule M reflect this focus and we understand that amendments will be made to it which will put the initiation of a restructuring commission into local hands.

Municipal electric commissions effectively serve and represent their customers based on local needs, attitudes and priorities. We also favour direct and clear accountability. There can be no more direct accountability than for those of us who stand for election every three years.

Although a small number of municipal electric utility commissions are governed by appointed commissioners, the majority of us are elected, a point I will come back to. Regardless of whether we are elected or appointed, we have a clear role to serve and we represent our customers. We know that they expect that, particularly in small-town Ontario. We hear and we respond when our customers call. Because our responsibilities are focused and because our customers support our businesslike approach, we can serve them well.

Municipal electric utility commissioners are all part-time politicians. We are the traditional Ontario public service volunteers. Even in the largest utilities, commissioners are paid very little.

In summary on my first point, let me say again that the Municipal Electric Association and its members already reflect the government aim of improving fiscal responsibility, local control and accountability. In our efforts to provide a reliable supply of electricity at the lowest cost, we are one example of how this can be done.

Point 2, recognition of municipal electric utilities: My second focus today is to thank the government, first for recognizing our current circumstances in some important correspondence, a copy of which is attached to our presentation. It acknowledges that our members are subject to a separate review and the government has committed to exempt our members from the provisions of Bill 26 relating to municipal control.

Second, the Minister of Municipal Affairs has a separate project under way to rewrite the Municipal Act and related legislation. The ministry has agreed to our involvement in several subprojects which affect our members. While we are not yet sure how that consultation will work, we are pleased to be involved. As I have said, the letter from the two ministers is welcome, but it does not say how that commitment will be put into effect. However, we understand that the government may plan to handle this by what the minister includes or excludes in various regulations or orders. Although the letter does not expressly say so, the context also implies that the exemption may be temporary.

We recommend that the commitment to exempt municipal electric utilities be implemented by an appropriate amendment to Bill 26.

Item 3, issues in schedule M: If we knew that this permanent solution was going to be adopted, I could stop here, but we don't, and thus my third item must be pursued. We have several longer-term concerns. They are not new concerns, and we have pursued them before. We believe they are both reasonable and important. The Minister of Municipal Affairs is given surprisingly far-reaching powers, powers that can override other statutes in broad ways. In addition, with regard to restructuring, the cabinet may, by order in council, give the minister or a commission additional powers. Such broad powers are a concern. Even if one accepts assurances that the current minister will exercise these powers cautiously, there is no assurance possible about future ministers.

Some of you will recall that the original Bill 118, amendments to the Power Corporation Act, would have allowed future governments to give very broad direction to Ontario Hydro. No one knew what the government might decide to impose, and assurances were seen by us all as insufficient. Who could know what the next minister or the next government might decide, or the one after that? With the support of both the Conservative and Liberal caucuses and ultimately the NDP government, the MEA successfully argued that government power to provide binding direction to Ontario Hydro should be limited.

Schedule M of this bill would give any Minister of Municipal Affairs extremely wide powers. While we understand that the government believes speed and flexibility are important, we recommend that more specific information be put in the statute, thus limiting such discretionary powers either in extent or duration. I must apologize that we have not had time to prepare specific suggestions.

One of the safeguards provided in current legislation is the requirement for a referendum before dissolving or selling a utility franchise. I have noted above that the public utilities concept has generally been supported in

referenda. To say it again, our customers like our straightforward, standalone, businesslike approach. Payments for electricity are not mixed up with tax dollars. People understand that they get what they pay for.

Let us be clear: Schedule M of Bill 26 does not directly do away with referenda, but it does give the authority directly to municipal councils to waive the requirement under both the Public Utilities Act and the Municipal Franchises Act. We find it interesting that this government plans to require municipalities to hold a referendum on such things as a casino, but is prepared to remove that requirement when it comes to something as important as electricity. Particularly upsetting is the fact that the requirements for referenda are maintained for gas franchises, the other monopoly energy supplier. Let me say, as one who was elected to look after electricity interests, I find my exclusion from such a decision quite offensive, and so would my colleagues. Hopefully, this was an oversight.

For the MEA, this is not a new concern. Over the years we have believed that the people should be allowed to express their opinions on these matters. Some of you will recall that during the debate on Bill 75, the legislation to restructure the city of London, we argued this point. We said that the public should be allowed a voice in the structure of their PUC and in whether their commissioners were elected or appointed. So did most who presented briefs on this matter, and several thousand petitioners. We were supported by both the Conservatives and the Liberals.

We recommend that the exemption for gas utilities be extended to our members. At the very least, we must be involved in the decision to waive the rights of our citizens on matters they elected us to oversee.

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Likewise, we are concerned that utility commissions are given no voice in the decisions to transfer powers from local municipalities to upper-tier municipalities and vice versa. Careful three-point tests are set out in schedule M to ensure that appropriate interests are recognized. However, once again, the interests I was elected to look after are not recognized.

We recommend that utility commissions be given a voice in these decisions when the interests of their customers are affected.

Some have suggested that this legislation will allow the municipal electric utilities to be privatized in order to give municipal councils a temporary financial gain. Privatization of municipal electric utilities would not be in the interests of the customers. The customers' interests in low-cost, reliable service must remain our primary concern.

Ownership does make a difference for the customer. In the US there are some 2,000 municipal electric utilities, and the number is climbing. The average residential customer served by them receives their electricity at rates 30% below those from investor-owned or private utilities. Commercial businesses are not quite as well-advantaged, but on average their rates for municipal electric utilities are still about 15% below those of the investor-owned utilities. To make the record complete, I should note that average electricity rates for large industrial customers are about the same from either public or private utilities.

If you think we are being self-serving, we are not. Recent experience from the United Kingdom has indicated that the compensation significantly increases with a move to the private sector, whether it be for the management ranks or boards of directors. I might add that municipal electric utilities here and in the US pay significant property taxes to their municipalities.

As current legislation has been applied to date, dissolution of a municipal electric utility automatically results in Ontario Hydro assuming responsibility for serving the affected customer. We have found nothing specific in this bill to change that practice.

To ensure that customers continue to enjoy reliable electricity at the lowest price, we recommend that municipal electric utilities not be privatized.

In closing, let me repeat that the MEA supports the government's goals of fiscal soundness, local decision-making and direct accountability. We welcome the government's commitment to exempt the municipal electric utilities and to involve us in its future considerations. We believe some important changes to schedule M are required.

The use of agencies, boards and commissions in Canadian local government is not a well-studied area. It has been brought to my attention that the Institute of Public Administration of Canada created a research team of academics and municipal administrators from across the country to examine this area. Their 1994 publication of assembled papers, edited by Dale Richmond, then CAO of Metropolitan Toronto and now president of OMERS, and David Siegel, a professor at Brock University, includes in its preface the following quote:

"Most members of the team began with what might be described as the conventional wisdom among municipal people that ABCs serve no useful purpose as separate entities and should be folded into municipal government. Gradually, most members of the study team came to the realization that the ABC form of organization did serve a useful purpose when it was used in suitable circumstances and when it had an appropriate organizational structure and accountability regime."

We would agree with the findings of the team. We believe that the municipal electric utilities meet those criteria and serve their customers well.

Thank you very much. We have included with our presentation a list of recommendations, and we are prepared to answer any questions you may have.

The Chair: Thank you very much for your presentation. We have four minutes per caucus for questions, and we'll start with the government caucus.

Mr Hardeman: Good afternoon, Mr Martin. Just a couple of quick questions: As to the issue of the minister's discretionary powers, you suggest in recommendation 3 to either limit those powers or to sunset the powers. Is it your submission that the powers are required? Are you suggesting that there is merit in the power, but beyond that, they should be limited in some way after the job is finished?

Mr Tony Jennings: Our discussions on that, to be honest, are that the bill says the minister can set out

principles, but until you see what kind of principles we're talking about—elsewhere it talks about the minister setting out criteria. We're not clear, even after some discussion with ministry staff, about what's going to be in the criteria and what's going to be in the principles, so it's really difficult to answer the question.

Mr Hardeman: The other issue is the issue of the migration of authority or responsibility between the upper and the lower tier, and your suggestion that a vote on that should require the vote of some representation from the public utility. Have you got any suggestions on how we would include that where the utilities are not in all the municipalities? In a lot of our counties presently they have some municipalities with the authorities and some without. If you were looking at the transfer, have you got any suggestions of how we could put it in there to accommodate the voice of the electric commission?

Mr Jennings: If you turn to page 140, section 209.2, one way we thought of—it may not be the only way—is that you require a fairly extensive three-point test, where the upper-tier municipality has to vote, a majority of the council; you could add (d), a fourth test which would say that for matters affecting public utilities, a majority of the affected public utilities would have to endorse the change as well. It would be a fairly simple change there and in section 33. There may be other ways of achieving the same end.

Mr Hardeman: The issue of the letter that was in part of your presentation, that it is going into regulations as opposed to legislation, there is a study presently going on on the delivery of electrical services in Ontario and there may be changes required. I guess the proposal is to put it in regulation so whatever delivery model would come out of such recommendations after much study could be accommodated without changing the legislation. Do you have great concern with that or would that make a reasonable assumption, that it would be in regulation?

Mr Jennings: It would be better if it were permanent and clearer, in our view. Perhaps any changes could be accommodated in the upcoming changes to the Municipal Act.

Mr Phillips: Maybe I can follow up on that. When the Association of Municipalities of Ontario was in, they were quite pleased with the bill because they believe it will give them the right to eliminate organizations like yours. It's very clear that their support is because this bill gives them the right to eliminate local boards. It could eliminate school boards, boards like yours, and the only thing that will protect them is something called regulations. The problem with regulations is that the minister writes the regulations, so the Legislature does not get a chance to debate it. Once a regulation is passed, it's over.

I was very interested in the letter you got back, because it was sort of like, "Well, just keep quiet, and we'll protect you through regulation—until we determine we won't protect you through regulation."

The only way you can be protected, in my opinion, is that the bill has to spell out that your organizations continue. If we do what the government wants to do, that is, put it in regulation, it will temporarily protect you, until this bill is passed, until the heat goes off and then the government changes the regulation, because the municipalities' support of the bill I think is contingent upon getting the opportunity to take over the local utility operation. Then the bill permits them to sell off the utility without a referendum, just through a bylaw.

If the bill passes as it is currently proposed and the only defence your organizations have is regulation, I will just say to you that is no defence. I guess your advice to us is to amend the bill, to put a provision in that protects you, if that's what the government wants to do, because the government in the end will determine it. Have I interpreted properly what you are requesting this committee to do?

Mr Martin: Yes, I think you have. We certainly want to see the bill amended, and we think the issue of the referenda is very crucial, very important, as far as we're concerned.

Mr Phillips: Let me just say that we've had no intention from the government to amend it. The government will not tell us what amendments it's proposing, even though, interestingly, in your letter you've got some indication of some amendment. They said we will not see the amendments, we, the committee, until the day we begin debating what we call clause-by-clause.

So I guess I'm making a statement to your organization, and that is that the way I believe the government plans to proceed—we've seen nothing from them that would indicate they have any intention of making any changes—is that you will be temporarily protected by regulation until this review is complete and then, by regulation, the government can change that. You then can be taken over by municipalities by I think a simple majority vote, if I'm not mistaken, and then, if a municipality chooses to, it can sell off the utility with a simple bylaw.

I'm going through all of this because you know your section of the bill better, frankly, than we do, but have I interpreted the bill properly as your organization would see it?

Mr Martin: Yes, you have.

Mr Silipo: I wanted to start by picking up on that same point, because I'm beginning to find these letters and memos that are coming out from ministers quite interesting. This is I think the second or third one that we've seen now. There was one related to school boards and I think another one, certainly related to police services boards—they're both referred to in the letter that you got—and now there's one about municipal electric utilities.

What we're seeing from the government, it seems to me, is just attempt after attempt to sort of say to various groups, "Don't worry. We want to give municipalities these far-reaching powers, but it's okay, it's not going to affect your particular area," and the big protection that they're offering, it seems, is regulation, because they haven't indicated to us that they're going to come forward and put in legislative changes, so it will be interesting to see what happens on that score.

I didn't want to pursue that much more, unless you have some response to that, but I was also struck by the points in your brief around the relative costs of privatization. I think it would certainly be useful for this committee to receive any more information you might

have on that. Perhaps that could be arranged, Mr Chair, I don't know, through our research folks. I for one would certainly be interested in seeing some more of that, because I think one of the myths we have seen—and I'm not going to blame the government for this particular one, because I don't think I've heard any one of them say this, but there seems to be an assumption that by privatizing these types of services, in fact the consumer would get a cheaper, ie, less costly product, and what you're clearly saying to us is that's not the case, as experience has shown.

Mr MacKenzie: If I can respond to that, in the data that we have, we compare ourselves sometimes to utilities in the United States. Clearly, as the brief spelled out this afternoon, the data we have show that publicly owned electric utilities in the US, and there are over 2,000 of them, serve their customers at lower rates than those investor-owned utilities in the United States. There have been a number of studies that have been conducted to compare the reasons for the difference in rates, and clearly it comes down on the side of municipal ownership as being a significant component for lower rates. There are a number of cities in the United States currently trying to municipalize their services. They're trying to buy back their utility from a private, investor-owned utility, and the reason for the buyback and the municipalization is lower rates.

Mr Martin: I think Mr Edwards may have a comment as well in regard to the water side of utilities.

Mr Edwards: Yes, perhaps, if I may. The letter you referred to of course refers to municipal electric commissions. I would note that most utilities in the province are in fact public utilities commissions with several utilities under their control, water in the case of Windsor. I've also worked with transit and even a zoo. We find that there's no protection for those utilities. There is a simple solution, I think, that the MEA has put forward, which is to exempt public utilities from the amendments under Bill 26.

We've also looked at some of the factual comparison of water rates versus various management structures, and you'll see that in the brief I've mailed in to you. I'll also circulate a few copies here at the end of the presentation. But there it shows that the water services supplied through public utilities commissions do in fact provide the lowest rates in Ontario, followed by regions and then lastly by municipal departments. So there is definitely a strong business ethic in a customer-run public utility. I think this bill needs to do a little more research in order to support that.

The Chair: Thank you, gentlemen. You may want to leave that with the clerk and she could give it out to members of the committee.

Mr Martin: Can I just add one point—

The Chair: Unfortunately, your 30 minutes are up. I'd like to thank you for coming forward today, though, and making your presentation.

CANADIAN AUTO WORKERS, LOCALS 1973 AND 195

The Chair: May I please have representatives of Canadian Auto Workers, Local 1973, come forward. Good afternoon, gentlemen, and thank you for coming forward today to appear before the committee on general government. You have half an hour today to make your presentation. You may use that half-hour as you see fit. You may wish to leave some time at the end of your presentation for questions and response. I'd appreciate it if you'd take some time at the beginning of your presentation to read your names into the record for the benefit of committee members and Hansard.

Mr Nick Dzudz: First of all, with these hearings going on, I think the whole government should be sitting here instead of having one or two people sitting here so they can hear this. It doesn't seem to make too much sense having these hearings when the whole government's not here. So if you can kind of corral them and bring them back, we'd really appreciate that.

First of all, let me, on behalf of CAW Local 1973, which represents General Motors workers in this community, thank the panel for allowing us time to present our submission here today. I'm Nick Dzudz, the president of Local 1973, CAW. With me on my right I have Bert Desjardins, our first vice-president. Mike Thomas is next to him. He's the chairperson of our local's political education committee. Also joining us is Bob Cruise, who's the chairperson of the human rights committee from CAW Local 195. We will be splitting our time with Local 195 because we feel that since they represent approximately 70 plants in our community and they were not granted standing, it is important that they also have a voice here today. I will be reading our brief. Bert and Mike will answer any questions for you. Bob will also make a presentation on behalf of his local union and will also answer any of your questions.

Bill 26, the Savings and Restructuring Act, prepared by CAW Local 1973, Windsor, Ontario, introduction: I'm here to put forth our views on Bill 26. I find it ironic that we are here to give input on a piece of legislation designed to take the public out of the decision-making process. The right to public consultation is a sacred one. This government has to realize this, and the importance of accountability.

In most cases, the public, the voters, do leave this decision-making to their elected representatives. That's due to accountability. The voters included in decisions that affect their communities, the public, have grown accustomed to being awarded the same right to input on the issues affecting them as those with extreme lobbying strength. This bill is not from a mandate to govern freely, but a total disdain for people most affected by the final decisions.

To be prepared as much as possible with limited resources, I read the newspaper, watched debates and gathered as much background information as I could acquire, especially since most of this transpired just before the Christmas holidays.

We have concluded this: How are we to realistically give our opinion on a 211-page bill that introduces three new acts, amends 44 acts and repeals two acts when top politicians and political critics are confused about the content, purpose and ramifications of all aspects of the legislation? Although it's now at least being broken into two sections for public hearings, it has been suggested by

some that this bill could be broken into 20 parts in order to address all aspects of this bill thoroughly.

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How are we to ask questions and expect reasonable explanations when it seems that this bill has been worded so vaguely and written so confusingly that it is left to the interpretation of whoever you are talking to at the time? Most questions are answered that the past government did this or did that. This is not the issue any more. What is happening now is all that matters.

Freedom of information: Is it true, the restriction of public access to information in regard to the government's activities, giving provincial and municipal governments the right to refuse any request deemed mischievous? Are you trying to tell us the government will run more efficiently by reducing public input and restricting their access to information on government activities? This is not fair government.

Municipality mergers: At this time, I understand there may be amendments forthcoming. The Municipal Affairs minister will be empowered to amalgamate or annex municipalities and create new regional governments without consultation of local councils or taxpayers. In this area, the dispute between Windsor and Tecumseh is legendary. Threat of annexation appears in the media once or twice each year. Are you trying to tell us that Windsor can annex Tecumseh or surrounding townships without the public being allowed one iota of input into what happens to their community services or taxation? This is not fair government.

Direct taxes, municipalities: Municipalities are currently limited to property taxes and licence fees to generate revenue. Is it true this bill opens the door to municipal income taxes, for example, sales tax, gas taxes, head taxes? Municipal Affairs minister Al Leach has stated that this stretches the legislation to the ridiculous and that no municipalities would ever be stupid enough to levy such a tax. But with municipal transfers cut by approximately 50%, which is already ridiculous, this may lead municipalities to stretch their interpretation of this legislation to pay the bills. Al Leach does concur that municipalities may have to charge for services provided, for example, arenas, other recreational facilities, police and fire services, even street lights. Are we to become a service-charge-oriented society to maintain our level of service? And when that's not enough, what happens? The most ridiculous ideas come out of desperation.

We firmly believe that this bill has been purposely written vaguely to allow individual interpretation so that each municipality with its back against the wall will stretch its interpretation of this legislation from the sublime to the ridiculous just to stay afloat. This also allows the present government the fail-safe of saying that was not the intent of this legislation. We won't be paying more taxes for the content of this legislation. We'll be paying more taxes for the reality of the interpretation. I guess if the provincial government does not actually impose the tax, then their campaign promise rings true: no new taxes. Save 30% provincially; pay 50% municipally. Municipalities have to get more money somehow to offset a 50% reduction in funding. This is not fair government, nor does it make common sense—or any sense, for that matter.

Please explain this to us: When the citizens from the US are clamouring for change and model their ideas from Canada, especially Ontario, why is the current government legislating Ontario closer and closer to the American style, which is healthy, wealthy and the rest, those who can't and soon won't be able to afford basic services?

Conclusion: the current government does not want to truly govern. This government wants all-encompassing power to dictate, and what it finds a nuisance it wants no responsibility for, morally or financially. At this time we need stability in our system, not chaos. People need protections and assistance from their government in their communities, not abandonment.

There are two ways to truly govern: You can listen to a few, dictate to the rest, or govern. In a comprehensive bill of this magnitude, consultation from all affected is the purest direction to follow, to receive the necessary input and then make the decisions based on what's best for the province. In case this government has forgotten, the province of Ontario is made up of people: people in mining towns, people in regional municipalities, people who need services and protection. Some need more than others. We deserve input into the enactment, amendment or repealing of laws that affect our everyday lives. The government, no matter what the mandate, no matter how large the majority, is there to represent all constituents, to listen to all constituents. Now, that's fair government; that makes common sense.

On behalf of CAW Local 1973, we thank you once more and hope our presentation and others from the labour community will shed some light on this bill before it becomes law in this province.

I'd like to turn it over now to Bob Cruise from CAW Local 195.

Mr Bob Cruise: I'd like to thank Local 1973, as I'm unable to thank the committee for the opportunity to address you, as we weren't permitted that opportunity. In sharing time with Local 1973, our president, Ken Maheux, was unable to come today. He had an appointment which he couldn't get out of and asked that I present our views from our union on omnibus Bill 26.

At the outset, I'd like to say I'm going to present a brief summary of these views, given time limitations, as we are a split delegation here.

I have five points. The first point is that workers in our plant are asking, what kind of representative democracy do we have in Ontario when, first, it rammed this anti-labour Bill 7 through on the basis that it was going to restore labour-management relations by striking down the NDP's Bill 40 and then, without any public debate on Bill 7, arbitrarily added a number of other anti-working-class and hostile proposals to that legislation?

Workers are also asking, what kind of representative democracy do we have in Ontario that has brought down a 200-page omnibus bill which in effect restructures the state, gravely affecting citizens in a negative way and has over 40 acts of profound implications and has only agreed to a cosmetic hearing after a big fight inside and outside the provincial Legislature?

Third, workers in our local are asking, and we try and keep them informed with weekly newsletters and other methods, just what kind of representative democracy do we have which systematically ignores delegations, has chopped the majority of organizations off these hearings and less than a fraction of them have been permitted to make formal presentation before this body?

I can say that the response to these developments from the rank and file is one of increasing indignation, hostility, anger and, in many cases, contempt for this process.

The second point I'd like to make: It is clear that Bill 26 is part of an anti-social offensive in which Premier Harris and the provincial PC government of Ontario is not the only element or factor. It has been inspired mainly at the federal level and the government of Jean Chrétien. The previous government of Brian Mulroney began the anti-social offensive, which has various features and history to it, but what Premier Harris has added, you could say the icing on the cake, is that he's taking a page from the history of dictators and actually passing an omnibus bill, Bill 26, which seeks permission from his own Legislature to rule by decree. This is somewhat unprecedented in recent history in Ontario.

Knowing full well that in the light of the current economic crisis, in which even during periods of recovery the unemployment in the province and across the country and elsewhere in the world does not improve, knowing full well that we're on the eve of another slowdown in the economy in various sectors, it appears that the financial oligarchy is seeking ways to rule by a new means.

Historically in Ontario, big business, the government and big labour worked out deals. From our rank-and-file position of looking at it, often we were not very pleased with some of these deals. They were often done behind closed doors and we often wondered whose interests were being bartered. But in this period we see that even this arrangement has broken down. The large labour unions have not been consulted in labour Bill 7, anti-worker Bill 7, or in the omnibus legislation or in other measures which have come in less than a year from Queen's Park after the election of the Progressive Conservative government.

This changed arrangement finds many within our own union wondering what will be the new arrangement. We are aware that there are divided opinions within our own ranks on just how these things are going to proceed. In fact, when you speak the word "division," we might look to the government, which in failing to get rid of those things which are causing division in Ontario, is actually getting large sections of the population at loggerheads. The illustration is the refusal to take a principled stand against block financing, which in effect puts everyone on a divided basis as they scramble for limited resources from their municipal, provincial or federal jurisdictions.

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If you wish to take a message back from the rank and file of the Canadian Auto Workers union, Local 195, which represents over 70 plants and 5,200 workers in the Windsor and Essex area, we are not at all in a mood to accept hugs, kisses, hypocritical statements or reassertions of that which we know to be false. Quite the contrary. We are in a fighting mood and the spirit we best feel with was illustrated in London on December 11. If it's the intention of Mike Harris or those who pull his strings to create this kind of atmosphere in Ontario, Local 195 is ready for such a situation.

Third point: Windsor will not tolerate the arbitrary destruction of our health care, access to post-secondary education as well as to the schools, or our basic abilities to provide for the disadvantaged, the poor and the things the community needs to function in a civil and democratic fashion. The other key feature of Bill 26, besides the demand for the right to arbitrarily rule, or you could say rule by decree, which is actually a medieval concept being reintroduced in the 1990s because of the profound crisis in the country, is the move towards privatization of the services, resources and things that government is normally expected to provide on a broad and universal democratic basis.

This, loosely speaking, has been the Yankee solution to social problems: the privatization of care for the aged, day care, kindergarten, even basic levels of education—all turned over to the private sector. The privatization even of prisons. What are you going have? Some company coming in, Murder Inc, and they'll offer to take care of our prisons and the inmates etc. This direction is retrogressive; it is not the interests of the citizens in this area; it's profoundly hostile to a modern and democratic polity and their aspirations for collective solutions to problems.

The fourth point I'd like to make: In less than a year, the Harris government has proposed to take over $5 billion of public moneys out of the areas most needed for the citizenry, particularly in the area of social programs. This expropriation of the Ontario material blessings, or wealth in the form of taxation which they've accrued from the provincial production here, represents a brutal assault on the citizenry. If you want to know why workers are dissatisfied, it's because they do not like these attacks and they can well see various things. So here in point four is the second question which comes from the rank and file within our own union, from the many shops where I've visited and talked to workers. They are asking, in whose interest is it to let a tiny financial grouping, an oligarchy, carry out in Ontario the dictate which has clearly been enunciated through the Canadian taxpayers association as being the dictate of the International Monetary Fund and the Royal Bank, bond holders and others?

In the Windsor Star they reported that there are some whiz kids in the Ontario government who help advise the Premier as to how these economic policies should be carried out. Our workers are asking in whose interest it is that the Ontario wealth, which continues to increase through more efficiency and the productive activity of its citizens, is siphoned off to this tiny oligarchy while people are getting taxed, losing services and being blamed for this dismal state of affairs.

Our union members, for one, do not accept this burden and do not buy this moralizing on the public debt. The amount that the treasury has been fleeced over the last several decades in Ontario is mind-boggling. The debts that were run up to fleece that treasury did not accrue to

the ordinary citizens and it's not the citizens who have been living high off the hog that explains this momentous debt. In fact, whether it's UIC moneys collected, although not to this jurisdiction, or the moneys for workers' compensation, moneys for road maintenance or moneys for basic social programs, they are in essence self-sustaining and our union regards them as investments, not a burden, on the public treasury.

The final point I'd like to make: What are our members—in a collective sense; we all have our individual views and I'm sure you'd love to hear mine. But speaking here in a collective sense, what are we seeking? We are seeking a real democracy, not a fraudulent one, not a truncated one, not one that has sham hearings every so often. You can have your input this way, that way, but when the legislation comes out, it's almost identical to that which was drafted before it even appeared when the mini-budget was present last November, in the case of the omnibus bill.

In seeking this real democracy, many of us would not like to see a re-establishment of the old arrangement by which big business, labour etc work behind closed doors. A real democracy has to involve our rank and file, and the economic crisis, the complexities of a jobless recovery, the questions of balancing budgets etc require such a new democracy. Otherwise, in place of any support for the dictatorial measures which omnibus Bill 26 is trying to facilitate, you'll meet the broadest imaginable resistance from Ontario workers and Ontario citizens. You can bank on that.

The final point I'd like to make is that, just speaking personally, I remember a poem from high school—and in just a blink we're threatened now with three grades of school being done away with. Grade 13 is gone as of next year; junior K and senior K are threatened. These things alone deserve major debates, not to speak of all the measures of the omnibus bill.

In Shelley's poem called The Weavers, in which the thousands of garment workers in that period in English history looked at the handful of owners and those who did their bidding in the governmental level—and I can paraphrase one line of that poem and I think get this message across: "We are many, you are few."

The Chair: We have about two and a half minutes per caucus, starting with the opposition caucus. Mrs Pupatello.

Mrs Pupatello: Very quickly, our Premier, while he was campaigning prior to June, told Ontario that he was in favour of collective bargaining. He introduced Bill 26, and in it are several changes he's proposing to the arbitration process. Can you comment on that?

Mr Mike Thomas: I did my very best to make myself well informed on all those issues. From what I've heard today, I guess it's not really an arbitration process. What it is is just a final decision-making on, for example, police and fire services, where there really is no arbitration, there is no discussion, and to base it on the economics of the province in that final decision is just not right. Again, as most people have said today and we all have heard, the people are not the ones who are involved in the decision-making to bring us to the distress in the finances where we have to end up resulting in the punishment for it.

Mr Gerretsen: I would just like to pick up on a comment that you made, sir. I've had the opportunity to work with governments of various stripes over the last 20 years in my municipal career and I totally concur with your comment about the fact that all governments in the past in Ontario, and I think Ontario is well known for that, have been basically built on consensus, whether we're talking about the old Rae government, the Peterson government and, yes, even the Davis and Robarts governments before that.

It's been my impression as a new member of the Legislature over the last six months that those kinds of rules and that consensus type of building that we have traditionally had in Ontario to make changes etc is totally out the window. We have heard over and over in the Legislature that as far as the Conservative members are concerned, they got elected on June 8 and that was their consultation with the general public. If we've heard it once, we've heard it a hundred times. It may have been said in jest sometimes, but usually it was said in dead seriousness, that that was their consultation. If they regard that as consultation, then I think that is totally haywire and absurd. Do you have any comments on that?

Interruption.

Mr Cruise: Your question may be partially rhetorical. I think it answers itself, but the—

Mr Gerretsen: Oh, was it now?

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Mr Cruise: If I can trace back because the history on this is very important. There is confusion within our own ranks on some of these issues.

The first is that when you speak of either Sandra's point about bargaining rights and arbitrated settlements, what do they mean after the social contract of Bob Rae? What does an agreement mean when you can arbitrarily announce that the public interest overrides the agreement?

As with the federal government on the issue of native land claims, signed agreements exist; they were overridden by government power. In seeking the right under Bill 26 to rule by decree, everything appears up for grabs. When the financial capability to pay becomes the determining factor for whether teachers can be paid a certain salary, whether there'll be layoffs, classroom ratios etc, then the entire public school system is under dangerous assault.

And when the bulk of the nation's wealth is arbitrarily expropriated and the remaining crumbs are left and we're supposed to fight over them, we need a new direction in the way we do government, as well as a new direction in the economy, and this is entirely lacking. Bill 26 I think indicates desperation on the part of the government in power—and the debate going on in Windsor, by the way, is not exactly on this level. What's being debated in Windsor among many workers—

The Chair: I apologize for having to interrupt but we're now getting into Mr Silipo's time and we have to have a certain amount of time for each caucus.

Mr Silipo: Please finish. Sorry, Mr Chair, I'm happy if he did this during my time.

The Chair: That's fine then. He can do it on Mr Silipo's time.

Mr Cruise: I just want to tell you that the debate is going on how to shorten your mandate—you might be interested, members of committee, going to shorten your mandate—because we'll be damned if we're going to wait three years while you destroy the economy, the social life, the school system, the health care and everything else in our province that we've fought for and we care about.

Mr Silipo: Mine is somewhat a rhetorical comment, but I was just struck a little bit by one of the threats in both presentations which will not surprise you to know we've heard throughout the presentations is this attack that we're seeing by the government here through Bill 26, prior to this by various other measures that they've taken, on the basic fabric of the society of the Ontario that we've built up over the last number of decades, over governments of all stripes.

I think one can say, at best, a misunderstanding or lack of understanding and at worst, something much more negative than that, if it's being done on purpose, that is, there seems to be this moving away from the sense that the wider the gap between those who are rich and those who are poor, the poorer the society as a whole is and the less healthy the society is.

One of the things that we keep hearing very much from the Tory members on this committee and from the government as a whole is that we have this crisis that has to be dealt with, this economic crisis, and so that somehow gives them the right to change the mandate that they won on June 8 into a mandate to just run roughshod over not just the democratic processes that we've developed over years and years in this province, but to basically undermine some of the basic structures and services that all of our citizens, whether they are an auto worker or a farmer or anybody else in this province, have built up and have been able to rely on through the health care system and many of our other services.

I don't really have a question for you, but I just wanted to make that observation. If you have any comments on it, please do.

The Chair: The government side, Mr Tascona.

Mr Tascona: Just for Mr Desjardins, I think it was Local 1973, there was a question in your brief with respect to freedom of information. I'd answer your question, the answer is, it's not true; the public right to know is still intact. All that's been changed is the procedure. In other words, the local level of decision-makers will be making the decision. Currently, the privacy commissioner can decide whether a claim is frivolous or vexatious, but you have to go through the whole process and the expense is paid by the municipality or the police commission, which for some of them have gone into the thousands of dollars to find out that it's a frivolous or vexatious claim. What we've done is we've expedited the process and if a local head decides that it's frivolous or vexatious, there's an automatic right of appeal and that can be handled by the privacy commissioner. So what we've done is we changed it to the local level.

With respect to the arbitration process, I really find it interesting, because I dealt in my previous experience with the CAW and always had found them a very strong and intelligent union. I'd just like to put this with respect to the arbitration process. You don't have the arbitration process; what you have is the fiscal reality of whether your employer's going to give you a fair deal or whether you're going to have to go out on strike to get it, but you get a freely negotiated agreement. All we're trying to do is bring into the reality of the arbitration process for the public sector fiscal reality and a freely negotiated process that wouldn't be any better than what you would have, and that's the bottom line with respect to the arbitration. That's what I'd like you to look at, because there is mandated criterion in other jurisdictions and it's been followed. The reason why we're doing it is because of the fiscal crunch we're in. So read it.

Mr Desjardins: Yes. We definitely feel, though, that this financial crunch we're in has not been caused by the workers and the general people of the province of Ontario, and we don't feel that you can solve the financial problems on the backs of the working people and the people in general of the province of Ontario. We feel there are more responsible areas to get the money from for this debt and deficit we have in the province of Ontario other than the workers and other than the public. That's how we feel.

You're going to, because of arbitration, say, "You have a financial crisis"? Yes, we agree you have a financial crisis, but I'll tell you something. We didn't cause it and our people, the working people in the province of Ontario, should not be made to pay this bill which you have caused by ignoring the rich and giving tax breaks to the rich.

The Chair: We've come to the end of the half-hour time allotted for the presentation. I'd like to thank the gentlemen for coming forward.

COUNTY OF KENT
THOMAS STOREY

The Chair: Can I please have representatives from the county of Kent come forward, please. Good afternoon and thank you, ladies and gentlemen, for coming forward today to make your presentation to the committee. You, as you've probably heard me say already, have a half-hour to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I would appreciate it for the benefit of members and for Hansard if you'd read your names into the record before beginning your presentation. Thank you.

Mr Joe Taylor: Mr Chairman and members of the standing committee on general government in the province of Ontario, re Bill 26. Firstly, I'd like to introduce the delegation from the county of Kent. On my extreme left is my executive chairman from the county of Kent, Ms Barb Jacobs. On my extreme right is Betty Kuchta, human resources director for the county. Next to Betty is the clerk-administrator for the county of Kent. This is our delegation from the county of Kent today at this hearing.

Re Bill 26: The council and the corporation of the county of Kent welcome this opportunity for a submission on Bill 26, the Savings and Restructuring Act, 1995. The county submission will be limited to comments on schedule M, which details amendments to the Munici-

pal Act and various other statutes relating to municipalities, conservation authorities and transportation.

The county review of the proposed legislation was undertaken with a view to measuring and evaluating how well the proposed legislation scheme is consistent with four criteria: (1) the Progressive Conservative Common Sense Revolution document; (2) the dialogue with elected municipal officials since June 1995; (3) your government's recent economic statement; and (4) the stated purpose of the legislation.

The county firmly believes that the municipalities' interest and the provincial interest are one and the same: to reduce costs and promote efficiency for the benefit of one taxpayer whom we all serve. Our concerns presented today have only one aim, and that is to ensure the legislation as proposed meets the government's stated objectives for this particular bill.

With this in mind, any comments with respect to areas we feel the legislation scheme or specified provisions do not meet any or all the stated criteria should be taken as either constructive ideas for amendment or general issues which need to be addressed by your legislative drafters.

Changes recommended are an attempt to remedy the perceived deficiency and ensure that the legislation is consistent with our mutual aims at heart. This, with respect, is submitted by the county of Kent.

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Now, the detailed submission of this particular brief concerning Bill 26 will be presented by our clerk-administrator, Mr Chuck Knapp, and our human resources director, Ms Betty Kuchta.

Mr Chuck Knapp: Your government's intentions with respect to the future of municipal government have been publicly stated in four forms: (1) the Conservative government's document entitled the Common Sense Revolution; (2) ongoing dialogue with municipally elected officials since June 1995; (3) your government's recent economic statement; and (4) the stated purposes of Bill 26.

The purpose clause of Bill 26 is well stated. This, combined with the other public statements made in the forms mentioned, preserves a significant role for municipal government in Ontario. Admittedly, though, the face of municipal government will change, and it will change quickly. The changing profile of municipal government includes principles which can be enunciated as follows: (1) continuation of a significant role for municipal government in Ontario; (2) reductions in transfer payments; (3) improved efficiencies; (4) facilitation of municipal restructuring; (5) streamlining and elimination of duplication; (6) increased accountability to the taxpayer; (7) increased autonomy for municipal government; (8) availability of additional tools to municipal government for increased self-sufficiency; (9) less government; and (10) facilitation of economic prosperity.

It is in the interests of all parties—your government, municipal government and the taxpayer—that Bill 26 is consistent with these stated principles and that, in particular, schedule M not only be an effective vehicle to assist in achieving these purposes, but that it not inadvertently fly in the face of the stated principles. You as a committee must ask yourselves whether the proposed legislative scheme is consistent with your stated intentions. In particular, does it achieve fiscal savings, efficiency, elimination of duplication and increased accountability? If not, you must give serious consideration to changing Bill 26 accordingly.

Other municipalities, such as our neighbour Essex county, have well enunciated a list of concerns similar to ours, and we concur with their submissions. However, we will avoid being repetitive and highlight the aspects of the act which we believe are inconsistent with this government's intentions.

Ministerial discretion, lack of dispute mechanism: The legislative scheme includes a high level of ministerial discretion and override and lack of appeal or dispute mechanisms. The ministerial override, or in other words the sweeping power given to the minister, is found either in operative provisions of the act which provide for ministerial discretion or the power for the minister to make regulations which in fact are more properly the substance of legislation. Such provisions contravene a number of stated principles, specifically: (1) municipal autonomy; (2) accountability to the taxpayer; (3) promotion of efficiencies and streamlining; and (4) cost savings. Specifically, municipalities will no doubt spend a lot of time, energy and resources developing well-intentioned plans, only to find that the minister may reject the same on the basis of criteria which either have not been clearly stated in a timely manner or may never be stated.

All references to ministerial discretion and the passing of regulations which do not clearly set out as a subject for discussion limits upon the minister's exercise of authority should either be deleted or amended to include limits upon the minister's exercise of authority.

Restructuring of municipalities, section 25.2: All matters relating to the restructuring set out in the proposed section 25.2 will be set by regulation. These include matters of great importance, such as the degree of support required for a successful restructuring proposal, the manner in which the support is determined and the criteria which the proposal must meet. The section goes on to say that if these provisions are met, the minister shall implement the restructuring proposal. This raises several concerns, as follows:

(1) The rules of the game for restructuring are not sufficiently clear. The matter is of such great importance that the items left to regulation should indeed be part of the act, to allow for debate on the reasonableness and effectiveness of the rules set.

(2) There is no appeal or dispute mechanism, and no opportunity for dissenting municipalities to present their case or challenge information presented by other municipalities.

(3) Given that the minister shall implement proposals which meet the criteria, how will he or she determine which proposal to implement in the case of two competing proposals that meet the criteria?

Under section 25.3, the minister may establish a commission to develop a restructuring proposal. The concerns are: (1) In what circumstances will a commission be established? (2) Will there be a right of appeal from the commissioner's decision?

The intent of these provisions is to facilitate and expedite restructuring by changing the existing situation, which requires a complex process involving the introduction of specific legislation. Although this certainly will expedite the process, the high level of ministerial discretion removes the aspect of municipal autonomy, and in particular puts those municipalities with a dissenting opinion or those without the resources to engage in preparation of a sophisticated proposal at a distinct disadvantage to those municipalities or groups of municipalities with sufficient resources to submit such a proposal.

It has the effect of changing the rules, midstream, to those taxpayers who may reside in a less prosperous or perhaps smaller municipality yet also wish an opportunity to be heard, particularly if these same taxpayers enjoy a low tax rate due to having run their municipality sufficiently for many years and who, as a result of implementation of a restructuring proposal, may now see tax levels rise.

The preparation of proposals will represent a significant expenditure of time and resources, perhaps all wasted time and money, particularly if the taxpayer communities, having submitted unsuccessful proposals, cannot further state their case or object to erroneous information in the proposal apparently meeting the criteria, through an appeal or dispute mechanism. Improvements, without destroying the scheme, would be derived by including the rules of the game in the legislation, not regulation, and including a right of appeal or dispute mechanism.

Regarding subsection 25.2(13), the issue of personal liability for those councillors who contravene any regulation by voting in favour of an act can hardly be measured or evaluated, given the complexity of the issues and the imprecise science of amalgamation issues. This is potentially an onerous provision that is difficult to understand which might place councillors in a position where they would be reluctant, even with legitimate reasons, to vote against any restructuring proposal in any event.

The expense associated with bringing any court action under this provision cannot be justified, given the high cost for the both the province and the municipality affected. This is virtually throwing taxpayers' money away, with no direct benefit to any party. The ultimate test for the result of poor decision-making by elected officials is the ballot box at election time, not the courts.

This approach is particularly unconscionable in an area which is an imprecise science and would require endless days of testimony and evidence by each party, all at taxpayers' expense. The provision should be removed from the bill.

Efficiency/effectiveness reporting, section 83.1: This provision proposes that a municipality shall provide information to the minister which "relates to the efficiency and effectiveness of the municipality's operations." Once again, the criteria to be established to meet these principles and the timeliness and information to be contained in such reports will be set by regulation. Such information may include audits of information.

Presently, there is a requirement to have all of the financial books of the municipalities audited and published annually. It is unclear as to what this further requirement will accomplish, other than to create an additional unnecessary expense: unnecessary use of time and resources. Surely the financial statements of each municipality are the best way for the public and others to evaluate municipal effectiveness. This provision creates unnecessary duplication and expense, and the provision should be eliminated.

Assumption of power at local or upper-tier level, sections 209.2, 209.3, 209.4, 209.5 and 209.6: The county of Kent recognizes that it is important that municipalities be able to determine which level of municipal government is best suited to provide a particular service. However, it questions whether municipalities have been granted real authority to determine the level of municipal government best suited to deliver service when the minister has absolute authority, under section 209.6, to limit the ability to do so by regulation. This violates the principle of municipal autonomy, accountability to the taxpayer and inadvertently may lead to gross inefficiencies if municipalities are not properly consulted and given the opportunity to evaluate whether any limitations imposed will simply not work and therefore will not be in the best interests of the taxpayer. Again, the services and facilities prescribed should not be left to regulation but should be set out within the act to allow for public debate on these issues.

1520

Dissolution of local boards, section 210.4: This section allows for the dissolution of a local board as defined in the Municipal Affairs Act and any other body performing any public function prescribed by the regulation. Once again, it is unclear why the act does not set out in legislation the list of local boards which may be excluded from the amendment and those which will be included by regulation.

Ontario Municipal Support Grants Act: This particular section of the bill represents cornerstone legislation for the future funding relationship between the province and municipalities. It is intended to give municipalities autonomy and decision-making responsibility for the expenditure of funds transferred from the province. It is recognized that this responsibility for management goes hand in hand with the responsibility to be mindful of defined provincial priorities.

On the other hand, it is our submission that this portion of the legislation should more clearly outline the fact that municipalities have the authority to manage the funds they receive under the Ontario municipal support grant in order to meet local needs and priorities. Again, we are concerned with the authority granted to the minister to establish standards for activities of municipalities.

Also, this type of regulation will cost the taxpayer tremendous amounts of money as it creates the need for even more documentation detailing standards which will need to be updated and communicated to municipalities on a regular basis, with all the resources associated with interpretation and application part and parcel of the package. Surely there is already enough paper and a simple reference to being mindful of provincial policy as it exists from time to time will avoid wasting funds and duplicating resources and efforts.

It is our submission that sections 29 to 32 of schedule M be amended to clarify that even though municipalities must be mindful of clearly defined provincial interests, they are empowered to determine the best use for grants paid under the Ontario Municipal Support Grants Act in order to meet the needs and priorities of the municipality. Further, it is recommended that the clauses of this section granting the minister authority by regulation to establish standards for activities of municipalities be removed.

This concludes our presentation, and we thank you for your time and attention. However, we learned that a delegation of municipalities from south Kent was unable to receive a time slot today, and we'd like to share our time with them if we're permitted to do so. Mr Tom Storey is here on behalf of Harwich and Raleigh townships, the town of Blenheim and the village of Erieau.

Mr Thomas Storey: Thanks, Chuck, and thanks to the county of Kent on behalf of the south Kent municipalities for giving me this time to make this brief presentation. The townships of Harwich and Raleigh, the town of Blenheim and the village of Erieau are a continuous group of municipalities located in south-central Kent county, with a total population of approximately 17,000.

In December, these municipalities began a review of the need for local government reform after they committed to a sizeable budget for consulting assistance, adopted a work plan and organized a steering committee to oversee the process. The schedule calls for a reform proposal to be submitted to the minister during the week of April 8. As revisions found in schedule M of Bill 26 will impact directly on the restructuring process, the steering committee considered it prudent to make a presentation to this committee.

Generally, the steering committee agrees that the province must be able to act quickly and authoritatively to ensure that municipal government restructuring can occur with a maximum of local involvement and a minimum of delay. Also, the committee agrees with and supports the comments found in the presentation to this standing committee made by the Association of Municipalities of Ontario, particularly regarding schedule M. However, there are a number of specific issues which we wish to address. These are issues that I want to emphasize come out of us actually being involved in a restructuring process.

(1) While we recognize powers assumed by the minister as proposed in the amendments to part I of the Municipal Act necessary to accomplish provincial goals of municipal reform, in the short term we do not see the need for these powers to remain once this round of reform is completed. Particularly, we are concerned about another government using these powers to achieve another agenda. Therefore, we strongly recommend that this part of Bill 26, that is, section 1 of schedule M, include an expiry date to follow from the term of this present government.

(2) That the government, either by regulation, or preferably in the act itself, provide incentives to municipalities to undertake a restructuring review process. The steering committee has a genuine fear that that regulation proposed in section 1 may render an otherwise serious, appropriate locally driven process such as the one being utilized by the south Kent municipalities meaningless due to a technicality. Also, the steering committee is concerned that challenges made by municipalities which have decided to not be proactive to a restructuring decision made by these south Kent municipalities will receive undue weight in an arbitration process such as that proposed utilizing a commissioner.

Two recommendations flow from this issue: first, that the act or the regulations provide a clear incentive to municipalities to undertake a proactive restructuring review; and second, that the regulations contain sufficient flexibility or exemption provisions, recognizing the legitimacy of locally devised restructuring processes which may otherwise be in technical violation.

(3) Should the various schedules of Bill 26 be divided into separate acts as a result of these hearings, the steering committee recommends that schedule M move ahead as soon as possible.

(4) The steering committee recommends that the conditions under which the minister will request the commission to make a restructuring proposal be added to the act. Thank you, Mr Chair.

The Chair: We have about three minutes per caucus for questions. We'll start off with the third party.

Mr Silipo: Thank you very much for the presentation. I'll just note that you've made a number of suggestions here essentially, as I see them, to at the very least clarify through amendments what the government's intent is and in some cases, as you say, to remove some sections.

What I wanted to ask you about was something that you didn't comment a lot about here, and that was the increasing powers to municipalities to tax in a variety of ways. Have you considered those issues? Do you have any thoughts on those that you could offer us?

Mr Knapp: I guess there are a number of municipalities that certainly, for a lot of years, have looked for specific types of licensing provisions, in some respects more than to generate revenue: to effect some control and regulations on particular operations that may or may not occur in their municipalities.

From a county standpoint, I would say that we haven't generally sought new means to tax. User fees are a new area that certainly we're looking at. They've been foreign to some of our operations, in fact prohibited in areas such as libraries. It now opens a new realm that certainly we're looking at, but we also have concerns, and I use the library example again. If we in some way prohibit certain facets of the community or certain regular users of a facility from using it by assessing a user fee, then in essence we're defeating our purpose.

So certainly there are areas where user fees can be helpful, but I wouldn't say that municipalities, at least the county of Kent, are actively pursuing new means to tax.

Mr Silipo: Would you support amendments to the legislation that clarified or that actually prohibited certain types of taxes being levied by municipalities, such as a sales tax, income taxes, gas taxes, things of that nature?

Mr Knapp: I understand some of the concerns that have been raised. If the legislation is as broad as it's proposed, and I don't know that I'm in a legal position to interpret that, if the opportunity is there for a head tax

and some of the other things that have been expressed, then certainly clarification would help that.

Mr Hardeman: I'd like you to go on for a moment on the issue of the type of taxation. I want, for the record and for the presenters this afternoon, to point out that the only legal opinion that has been presented so far to this committee is that those type of taxes that are being referred to are not allowed in the legislation.

1530

Mr Cooke: That's not true.

Mr Hardeman: There have been some others come before us that have suggested that may be a possibility, but none have tabled, so far at least, a legal opinion that it could be done.

Mrs Pupatello: Your minister had to renege on that.

Mr Hardeman: So I'd just point that out.

I also find—and thank you for making the joint presentation—it points out a concern expressed, first of all, with the minister's powers as they relate to the restructuring process and how the minister gets to make the final decision in order to facilitate something happening.

The presentation of the separate municipalities in Kent county recognized through their study that that type of process is required, and they're suggesting that a sunset clause may be put in to remove those powers at such time as the restructuring process is completed. Kent county seems to suggest that maybe those powers, the minister's powers, should not be as great.

I wondered if you could clarify that for me, as to where you would see the changes that would be required in order to accommodate the need for action to be taken and yet not have it perceived as or have it being the minister making it a top-down approach. I wonder if you could give us some guidance in that area.

Mr Knapp: I'm not sure whether you're referring to a portion that was in the county's presentation or a portion that was in Tom's presentation with respect to the sunset clause.

Mr Hardeman: The actual sunset suggestion or a phasing out of those powers was in Tom's presentation.

Mr Storey: Correct. I think the steering committee, speaking strictly as to the question of restructuring, sees the existing legislation as being very cumbersome and difficult, and we accept the legislation that has been proposed with the recommendations that are attached plus supporting recommendations found in AMO. I've only received the county's today so I can't speak for the committee, but speaking personally, I can say I support what the county's position is as well. I think that is that certain things, particularly some of the concerns we have which may be found in regulation, should in fact be found and made more clear in the act itself.

Some performance standard has to be set for the province to make some decision-making with regard to restructuring so that we all know where we sit. We're halfway through our process now. We expect the regs, I understand, some time in February, and we're very concerned that we may find the regulations knock us back a couple of steps in a process that's been entirely democratic up until now.

Mr Hardeman: But—

The Chair: Sorry, Mr Hardeman, your time is exhausted.

Mr Crozier: Outside of Essex county, I suppose some of my favourite townships are in Kent county, not the least of which are Raleigh township and the village of Erieau, and one or two people may understand why I say that.

But a lot is discussed about restructuring, and presumably, if restructuring goes ahead, whether it's voluntary amalgamation or whether it's involuntary, we're going to have larger municipalities, which then makes me think a bit about regional government and some of the experience we've had with regional government that bigger is not necessarily better.

In your discussions on amalgamation, the restructuring committee, to this point, has that been a concern or has that been part of the discussion? I don't need a lot of detail, just kind of a brief, where do you think you're going?

Mr Storey: The answer is yes, we have considered it. We've identified a number of different options for government reform. Some are two-tier and some are single-tier, and we've established a number of evaluation criteria which we plan to use to determine which would be the best restructuring form. I think we're headed towards a single tier, but we have not made that definite decision yet.

Mrs Pupatello: Very quickly, we did seem to note in your report, Mr Storey, about your comments of the additional accounting. While on the one hand municipalities and AMO seem to be happy that they're being given all of these powers etc, they seem to forget that the minister is going to require various types and forms of information and it's going to be as it relates to the efficiency and effectiveness of the municipality's operations.

I won't read you the detail, but in fact the minister now will have you publish, in a form that the minister sees fit, the way you do business, and you will do it in the form he requires. He'd like to do it so that he can look at just how effective you are, which to me flies in the face of you being allowed to be autonomous. In fact, it's exactly the opposite. We can only surmise that he wants to see how effective you are to determine that you will do business a different way, and he has the power to ensure that happens.

In addition, on the amalgamation issue, restructuring commissions can come down to us in our area, including Kent, and say, "You will look at this," and if at the end of the day it's determined that it's not appropriate for a structure to be changed here, the commission can apportion the costs among the municipalities and local bodies in the locality for which the commission was established. So while they want to come down and look at your area, you'll pay for it as well. Do you have any comments about that, either of you?

Mr Storey: First of all, I thought AMO was opposed to the first part of your criticism, and I would agree with your position. I thought that was AMO's position as well.

Mrs Pupatello: We wish they would have been that forthright on the local Essex county report that was made this morning, actually.

The Chair: Thank you, gentlemen. We've come to the end of your half-hour. I'd like to thank you all for coming forward to make your presentation today.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 636

The Chair: I call on a representative from the International Brotherhood of Electrical Workers, Local 636, to come forward, please. Welcome to the standing committee on general government. As you may have heard me say a few times today, you have half an hour to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd read your name and organization into the record for the benefit of committee members and Hansard.

Mr Patrick Vlanich: Thank you, Mr Chair. To you, your fellow committee members and all those in attendance here today, I bid good afternoon. Allow me to introduce myself. My name is Patrick Vlanich, and I am very pleased to have been granted an opportunity to appear here before you on behalf of the local union 636 of the International Brotherhood of Electrical Workers. Appreciating the onerous task facing this committee, we will try to be as concise as possible in our presentation and we welcome any questions which may arise.

For more than half a century, local union 636 of the IBEW has proudly served the working men and women of Ontario. From our modest roots in the utility industry, we have diversified and grown into an organization which now represents more than 3,500 members in both the public and private sectors from Windsor to Ottawa. Over the years we have shared many dreams and more than a few disappointments. Despite the countless challenges faced by organized labour in the past, ours has not been a union which felt it was traditionally necessary to take our concerns into the political arena. However, the unprecedented changes introduced in Bill 26, also known as the omnibus bill, have prompted us to re-examine our role and responsibilities to those we serve.

It has been written that the punishment which the wise suffer who refuse to take part in the government is to live under the government of worse men. It is our contention that Ontarians have suffered enough and the time has come for the voice of our people to be heard. The fears and concerns raised with respect to this legislation would be the same regardless of the government of the day. In its present form, this act takes aim at the very heart of what our province stands for. Local union 636 has always accepted its duty and obligation to improve the quality of life for our members, both in and out of the workplace. Today we come before you to say enough is enough.

It would be easy to dismiss the insights and opinions presented herein as those of yet another disgruntled union representative. However, the proposed amendments contained in this bill transcend the traditional lines between labour and business. At issue is much more than the corporate agenda so boldly tattooed in this legislation. What we see is a patently undemocratic bill which purports to promote economic prosperity in Ontario. Realistically, this bill is a reflection of autocratic ideals which, if implemented, will constitute a subversion of the democratic rights and freedoms of the citizens of this province.

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Without question, in Ontario today, "business as usual" has taken on a whole new meaning. Inevitably, the complexion of our province must change. Regrettably, as we all are well aware, change is never made without inconvenience, even from worse to better.

There can be no denial that the staggering provincial deficit and the escalating interest charges associated with such debt must be brought under control. We must then ask ourselves how such a goal may be achieved. Not surprisingly, there are dramatically different opinions as to how such an issue may be most effectively addressed.

Setting politics aside, it is imperative that we recognize that we have inherited the past from our forefathers, and the decisions made in the present will shape the future for our own children. Our vision of tomorrow and the legacy we wish to pass on is certainly not possible under the terms of Bill 26. If approved in its present form, this act would not only significantly impact the personal and professional lives of our members; it would also tear at the very fabric of our Ontario.

It is our understanding that broad, unilateral and arbitrary authority would be vested upon cabinet ministers or other appointed government agencies without the normal statutory limitations or safeguards which are intended to provide a degree of political accountability and allow for public scrutiny. As a trade union, we find this disturbing. As citizens, we should all find this very frightening. Empowering any individual or agency with such unencumbered and totalitarian decision-making abilities undermines the most fundamental precepts of a democratic society.

The government must remain responsible to the people who have elected it. To coin a phrase by a man much wiser than I, power corrupts, and absolute power corrupts absolutely. Evidently, the Conservatives, through this bill, wish to stand as testimony to the validity of such a notion.

In reviewing the bill as introduced at first reading, it is quite difficult to grasp the full implications of this epic draft. However, it is somewhat curious to note that any regulations as to how the act would be administered are noticeably absent. We wonder if perhaps the government plans to release such guidelines together with those relating to the social contract, since it was also enacted but never accompanied by any regulations. With some 17 schedules amending or enacting over 40 individual pieces of legislation, the ultimate scope of this bill is hard to envision.

Apparently, we are not alone with such uncertainty and confusion as to the real intent of this act. Even members of the Tory government have been unable to agree when challenged to offer an interpretation of the ambiguous terms of this rather nebulous package. Admittedly, we could be regarded as political neophytes. None the less, it is apparent to us that such an all-encompassing piece of legislation will prove too intimidating even for the most learned Queen's Park veterans. Given the fact that even those who are the architects of this bill are unclear as to

what it has been designed to accomplish, common sense would seem to suggest that the most prudent decision which could be made in this regard would be to set it aside in its entirety. Obviously, there will be no directive to that effect handed down today. Therefore, we will endeavour to the best of our ability to clarify our positions and bring forward our concerns based upon our interpretations of the intentions of the act.

Let us begin with a comment on the proposed amendments to the Municipal Act as prescribed under schedule M. Under the terms proposed by this bill, the Municipal Act would be amended to empower the government with the ability to restructure existing municipalities. Unfortunately, it would appear that any such action could be introduced and effectively directed even without any degree of local support or stakeholder input. While it cannot be argued that there may be cost savings associated which result from such measures, it hardly seems right that the taxpaying residents of a community would not be afforded an opportunity to craft their own destiny. Although we can recognize and respect the desire of local governments to have greater control over municipal affairs, this cannot and will not be made possible at the expense of individual rights.

From the perspective of our union, government intervention may also result in job losses which could otherwise have been avoided. Obviously, this would create additional and very unnecessary demands on an already overburdened social safety net. Surely you all must agree that this defeats the purpose and intent of the bill itself.

To this end we offer the following recommendations for your consideration:

First, meet with the municipal leaders to discuss effective means of restructuring local governments with a focus on eliminating the many levels which currently exist in order to facilitate the timely addressing of this issue and establish guidelines which clearly outline the object, intent and accomplishments which this government hopes to be satisfied.

Second, ensure that any proposed restructuring is supported by a majority of those in the communities affected.

Third, encourage full and active participation by the public in drafting any action plans.

Fourth, establish the viability of any model from a municipality based upon local needs and not merely logistics.

Finally, we must ensure that we recognize and respect the rights and freedoms of organized labour by maintaining the integrity of existing statutory entitlements, such as successor status provisions in collective bargaining legislation, despite any order to the contrary which may be made by a minister, commission or other such government body.

Next, we will examine the Public Utilities Act. Among the other related amendments to the bill is a provision which gives municipalities new authority and control over special-purpose bodies, including public utility commissions. As stated in this draft, such empowerment would once again strip away the democratic rights of the electorate. Irrespective of any existing limitations to such authority, the municipality could arbitrarily dissolve or alter any board simply by passing a resolution to this effect.

Whether or not a municipality would elect to exercise such privileges remains to be seen. However, should such measures be introduced, it could result in significant contracting-out, reduction or elimination of municipal services, the privatization of public utilities and decreasing efficiencies in that sector.

In addition, should the bill exonerate the municipality of its obligations to comply with other legislative requirements, the sanctity of collective agreements may well be attacked. On the heels of changes introduced under Bill 7, and still reeling from the impacts of the social contract, we question the legitimacy of a decision to impose further anguish upon those who have not contributed to provincial debt.

As you are no doubt well aware, there is no direct government funding allocated to public utilities, and no funding of any kind directed to municipal electrical utilities. Their revenues are generated by the ratepayer, not the taxpayer, and used to maintain and develop their system, as well as covering all payroll costs. Although this industry has been deemed a part of the broader public sector, it's very difficult to understand the basis for such a designation. It is our contention that all public utilities and/or municipal electrical utilities should be granted exemption from those portions of Bill 26 which relate directly to the control of local boards.

It would appear that it is the intention of the government to offer such exemption. This is evidenced in the letter to all chairs of municipal electrical utilities under the co-signatures of ministers Brenda Elliot and Al Leach. However, we urge that such status be granted by legislation and not by regulation. To this end, we offer the following recommendations:

Withdraw any proposed amendments to the Public Utilities Act; encourage and support the efforts of the MEA, the IBEW and the Macdonald commission to examine effective ways to restructure Ontario's municipal utilities. In the event that it's necessary to alter or dissolve a board, let the voice of the community be heard and, if applicable, let the people decide its fate, and not the municipality. Again, we must guarantee that the rights and freedoms of working men and women, as defined by existing legislation, are maintained, ensuring the obligations and responsibilities outlined therein are not overridden.

I will now proceed to address the Pay Equity Act amendments under schedule J. The enactment of pay equity legislation in 1987 trumpeted in a new era for women in the workplace. After years of working tirelessly for substandard wages, there would finally be equal pay for work of equal value. Unfortunately, not all females would enjoy the benefits of the act at this time. Then, in 1993, the act was amended to extend the privileges defined therein to those who had previously been denied access to pay equity. Regrettably, in less than a year from now, Bill 26 will close the door to some women which was opened for others a decade before.

The elimination of proxy comparison is a direct assault on some of the most conscientious and hardworking employees in this province. Once again, unscrupulous

employers will be allowed to prey upon the vulnerabilities of their female employees, many of whom will be single parents or lack the necessary skills to seek alternative employment opportunities. Although their talents will again be exploited, the contributions of those women working in establishments without male job comparators will not be fairly compensated. To the Tories and Mr Harris, all we can say is, "Shame on all of you."

The transitional provisions for minimum payments under this bill launch yet another attack on this target group. In this case, the human cost must be weighed against the savings which are generated. In an economy under siege, these tolls are higher than ever before. Despite promises that recovery is imminent, unemployment remains at unacceptable levels, and further layoffs will be forthcoming. This could result in an increased reliance on women to provide financial security for the family during these transitional periods. They will now be forced to do so with even more limited resources.

Perhaps those who have been so enlightened as to propose this amendment would regard it in a somewhat different view if they realized that this will adversely impact the lives not only of working women, such as our wives or mothers or daughters or sisters, but also their families. I must ask, would any one among you be satisfied to work for less than another in jobs of equal value? I think the answer is quite clear.

The repeal of employment equity took away many opportunities for women. The repeal of proxy comparison will pose even further constraints, both financially and with respect to employment, upon these individuals, not only today but in generations to come.

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It would appear to be somewhat futile to offer a difficult and thankless job at substandard wages which requires you to work long, erratic hours, including weekends and holidays, as an incentive to those currently receiving or seeking social assistance. Would you not agree?

To this end, we offer the following recommendation: The proxy value provision of the Pay Equity Act must remain intact to ensure that dignity and respect for the contributions of women in the workplace are protected.

We'll touch briefly on schedule Q, which has to do with interest arbitration, although we won't speak to it that long. Under the bill the integrity of the arbitration process and perhaps collective bargaining itself could be undermined by the amendments contained therein. In directing an arbitrator to consider the employer's ability to pay, this bill circumvents the principles upon which the arbitration process is founded by transferring the balance of power away from an independent decision-maker and directly into the hands of the party in dispute.

Effectively, this will provide a mechanism for the government, municipality or other public sector employers to unilaterally and arbitrarily set the wages of their employees. Employers will be encouraged not to bargain in good faith, with the full knowledge that any compulsory award must be granted in their favour. As a result, there will be little or no incentive for any employer to reach an agreement, and as such, the process of collective bargaining will be lost forever.

In a free and democratic society, all workers are guaranteed fundamental rights which are not subject to compromise. It was Abraham Lincoln who said, "As I would not be a slave, so I would not be a master." This is my idea of democracy. Naturally, this begs the question, does the omnibus bill define the Conservatives' view of our democracy?

We would thereby recommend that they amend the criteria to be considered by arbitrators to exclude the ability to pay and extend to which services may have to be reduced.

Under other amendments to this legislation, with respect to health care, although that's not on today's agenda, given the fact that the amendments proposed under schedules F, G and H will ultimately impact to a varying degree the lives of everybody in Ontario, we wish to go on record in support of any recommendation to abolish in their entirety these portions of the act.

With respect to public sector pension plans, Bill 26 would empower this government with the authority to suspend pension benefit rights of public sector employees, which all other employers in the province are obliged to respect. Initially this power will be wielded directly against Ontario's civil service. Without question, if this endeavour goes unchallenged, the Tories will soon set their sights on the broader public sector and relinquish the rights of others, such as utility employees and municipal workers, ultimately into the private sector.

Rest assured that should such action ever be contemplated, labour in Ontario will not stand idly by as our retirement security is threatened. If the intent of this bill is truly to promote economic prosperity, then once again schedule L must be abandoned in its entirety.

In summary, Canada as we know it was not even a country when a government which was not responsible to its people last ruled over this land. Had it not been for the courageous efforts of one man, we may in a political sense have already been thrust back to that age. In his simple act of remaining seated, Alvin Curling sent a signal across Ontario that the time had come to stand up and be counted. Thanks to his efforts the Conservative government has granted a stay of execution to democracy in Ontario, and this is evidenced by these public hearings today.

The omnibus bill with the stroke of a pen will bring down a province which it has taken generations to build. Ontario has long been revered for its commitment to education, dedication to universal health care and benevolence in caring for children, seniors and those in need.

Today we stand at the crossroads of our future. The path we choose will either perpetuate the principles which have set our province apart or polarize our Ontario and its people. In following the map set out by Bill 26, it leads us towards a society in which profits are more important than people, democratic rights are taken away from the masses and vested in the ruling élite, freedom of choice is supplanted by compliance to command, health care as well as education is reserved for the privileged few and our social conscience is treated more like a social disease. Now, that certainly sounds like a place that I want to live, work and raise a family; how about you?

In drafting Bill 26, the Conservative government, which I think is more appropriately called—well, I won't say what they should be called—has reneged on much of the rhetoric promised by the Common Sense Revolution. Even more frightening is their breach of the public trust which gave them the care and control of this province.

It is appalling to think that any government would have the audacity to introduce such broad and sweeping changes in a singular act. The Conservatives were awarded a mandate to govern, not to dictate. Accordingly, we urge the government to withdraw this legislation in its entirety.

Notwithstanding such a position, should this government elect to proceed with any of these amendments as outlined in this bill, there must be further public hearings scheduled to examine, discuss and debate the merits of any and all such recommendations on an individual basis.

On behalf of Local 636 of the International Brotherhood of Electrical Workers, please accept my thanks and that of my members for the opportunity to participate in these proceedings. It is our sincere hope that our voice has been heard and the rights of all Ontarians, including working men and women, children, seniors and the oppressed, will be preserved. In the final analysis, it must never be forgotten that at the heart and soul of this province is its citizens and not its government.

In closing, let us leave you with one final view which we would ask Mr Harris's government to contemplate. I hope that our wisdom will grow with us and our power and teach us that the less we use our power, the greater it will be.

The Chair: Thank you. That leaves us with a little bit more than three minutes per caucus for questioning. We'll start off with the government caucus; Mr Klees.

Mr Klees: Thank you for your presentation. Clearly, when I listen to you, as well as many other presentations today, I think that we all agree on the same thing and that is that we want a secure future for our children. We obviously also disagree fundamentally in perhaps how we should get there. I would just ask you this: Do you feel that the status quo that we have today is appropriate, that the kind of government that brought us to the doorstep today of a $100-billion debt, a $10-billion-a-year interest payment in this province, is acceptable?

Mr Vlanich: Certainly it's not acceptable and I must comment that part of the reason that we are in the situation rests not solely with the past government but the governments of the past. As a reminder, the Tories ruled this province for a long time and $100 billion doesn't amass overnight.

Mr Young: Fifty billion amassed in five years. In the last five years, $50 billion.

Mr Vlanich: So specifically with reference to your question, the status quo definitely is not acceptable, but there are other alternatives which we feel have to be examined which are equally as acceptable as those which are being presented from your perspective as the alternative to our current situation.

Mr Klees: Would you agree that it's going to take a fundamental restructuring of how we do government in this province, as one of the other presenters said today?

Mr Vlanich: There is a significant difference between restructuring and dismantling. Obviously—

Interruption.

Mr Klees: I'd like to follow up on that because, you know, the unions—

Mr Cooke: Cut your losses, Frank.

Interjections.

Mr Klees: If I could have the additional time that Mr Cooke took of mine, Mr Chairman. When we talk about restructuring, and that's the intent of this bill—

Interjections.

The Chair: Mr Duncan, please.

Mr Klees: —clearly the previous government saw the unions in this province avoid them like a plague when they brought in their form of reform for this province. Why did you at that point in time leave the support of the NDP? Why today is it that you're not accepting our proposal for restructuring? You didn't like what they were doing. You don't like what we're doing. In fact, is it not true that when someone takes leadership and there's going to be some pain for those who are going to be affected, they don't like it?

Mr Cooke: Time's up.

Mr Vlanich: Am I supposed to comment on that or was that just a political speech?

Mr Klees: I think if the Liberals will give you the time, I'd like to hear it.

The Chair: There's still some government time. You have about 30 seconds to respond to that.

Mr Crozier: Frank, responding to your lectures isn't something that we want to waste our time on.

Mr Vlanich: Thank you, Bruce. I concur.

The Chair: Now to the opposition; Mr Duncan.

Mr Duncan: I'd just like you to go into more detail about the alternatives, that there are different ways of cutting instead of an arrogant, jam-it-down-your-throat, no-public-hearings, no-opportunity-to-talk attitude. You've put together, I thought, a very thoughtful presentation outlining a number of recommendations to a large number of the sections of the law that we're dealing with today. I'd like you to talk more in a general sense for us about the proper approach to governing and how the IBEW sees that unfolding, and what role you see for working people in that process.

Mr Vlanich: Obviously, as a democratic organization ourselves, we feel that the proper way to govern is through democracy; and obviously, this particular legislation transgresses the lines of all the democratic rights we've seen. Democracy is based on compromise, consultation and recognition of public ideas. It doesn't mean we can dictate to the public what's being done. We present different ideas, and certainly there may be merit to some and not to others in the views of all. That's why we're a diversified and well-rounded society.

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We're not here today to challenge the philosophical differences which separate us all. We're here today to say that as Ontarians, regardless of your political stripe, this is wrong. If you're going to govern, do it the democratic way. Let's not revert to 1848 when the Family Compact ruled. I heard this spoken on the other day very eloquent-

ly. Power can't rest in the hands of the élite, it's got to be with the people.

Mr Phillips: I'd like to get your impression and your members' impression of how this Harris government plans to manage the finances. Frankly, we find it unacceptable. These aren't my numbers, these are their numbers. What they're planning to do, as I think you know, because we have this huge deficit problem, they're going to cut $6 billion worth of spending. They've found out it's worse now, so they're going to cut $8 billion because we've got this huge deficit problem. But $5 billion of that money isn't going to reduce the deficit; it's going in the form of a tax break. The more you make, the bigger the tax break. So while they talk about fighting the deficit—this is our big problem, "We've got to cut spending by $8 billion." That, by the way, is 25% of all the spending in this province. That's going to be cut. Why? To fund a $5-billion tax break. It isn't to tackle the deficit, it's for that tax break. I wonder what your membership feels about that approach to managing the province's finances. Have you had a chance to talk to your members?

Mr Vlanich: Quite candidly, we haven't discussed that at length with our membership, but there has been a sense from our members that the tax break is simply a façade. It was a popular political move that appealed to the masses on a large scale. Certainly everybody would like to have their taxes cut. I'd like to have an increase in my wages and everything else, but it doesn't work that way. A tax cut in and of itself doesn't solve the problem any more than trying to spend our way out of it under another government.

Mr Silipo: I don't know if what you were saying on that last point was that you think the tax cut may not come about. If you have any further thoughts on that, I welcome them. I happen to think the government is going to be crazy enough to pursue the tax cut, and one of the things we know will happen through the tax cut is that it will perpetuate the kind of pulling back in time that you were talking about in terms of democratic process, but also in terms of what it does to working men and women. What we see is that the large benefit that comes from the tax cut will go not to the average Ontarian, but will go to that small proportion of Ontarians who are earning over $80,000 a year. That's something the government would like to ignore, but that's also part of the reality and that is what is very much driving its agenda. Have you had any chance to discuss that issue at all within your membership?

Mr Vlanich: With respect to your first question as to whether or not the tax cut will come, frankly, I don't think it will. If it does, it's not ultimately going to benefit the electorate or the general population anyway because it will be more than offset by user fees, the deprivation of services and the decimation of those most in need, who are there for all of us.

We are a social culture, we're not a society of individuals. We work for everybody. As a union, one of the fundamental concepts we advocate is collective best interests. Obviously that's not here, it's directed at the élite few. Ultimately our children will suffer, our women will suffer, those in need will suffer. The tax break will never come, it will be just like the GST and every other implemented measure. What happens to all that money? What has happened to the money generated from lotteries, from the GST, etc?

On a personal note, if someone gave me an additional $10,000 a month, my debt load would probably drop significantly because I could put it directly on the debt. Why aren't governments doing that?

The Chair: Thank you very much, Mr Vlanich, for coming forward.

HOWARD TOWNSHIP

The Chair: I understand the next presenters, CAW Local 89, are delayed, but the Howard Township presenters are here.

Good afternoon, gentlemen. Thank you for agreeing to appear a little earlier than you were scheduled for. You have half an hour to make a presentation today. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd read your names into the record for the benefit of the committee members and Hansard.

Mr David Langstaff: I'm David Langstaff, reeve of Howard township, and I have with me Walter Spence, councillor of Howard township, and Jamey Campbell, our administrator.

I'm pleased to have this opportunity to provide input to the government from the township of Howard on the ominous omnibus bill, Bill 26, known as the Savings and Restructuring Act. It is evident across the country and around the world that citizens want more affordable and responsible governance. Bill 26 is one of the major steps in which the present provincial government is proposing to address this issue. While we applaud the efforts of the cabinet to reduce costs, we believe there must be a more balanced view taken of the manner in which changes are initiated.

Howard township, like many rural municipalities, has provided services for our residents since 1850, responding to their needs and wishes, and fostering a rural lifestyle that is the envy of many larger urban municipalities. In cooperation with Ridgetown and other neighbours, we have been able to also respond to the recreational need of our young people. This has been achieved while maintaining a balanced budget, moderate reserves and a low mill rate. The keys have been good fiscal management, gradual improvement of services and, most importantly, the high calibre of our volunteers.

While a number of municipalities in Ontario may be too small to undertake the new responsibilities which will be assigned to local councils, we do not believe that lumping several existing municipalities into a large conglomerate will reduce costs or provide better service to our constituents. It is important for the provincial government to recognize that any restructured municipality should represent a community of interest from among its citizens. Large entities tend to lose personal touch with the individuals they represent. Certainly there is a loss of accountability as public bodies grow larger.

For this reason, we believe it is important to keep local municipalities small enough to be truly accessible to all

of their ratepayers. To this end, criteria such as distance and service areas must be used, as well as population limits. Present municipal boundaries may not be the best criteria for judging communities of interest. Any restructuring should not be limited by existing boundaries. Instead, a fresh approach should be taken using some of the criteria we have mentioned to shape any new municipality.

Because we believe so strongly in local accountability, we cannot support the prevailing provincial view of a single-tier county style of government. We advocate the continuance of the existing two-tier government with newly defined areas of jurisdiction. Duplication does exist. However, it is more practical to eliminate the duplication under the existing system than throw the entire system into chaos through a highly centralized one-tier system.

The Kent county study completed two years ago indicated which functions may be best suited for the two levels of government. Recreation, protection matters and utilities are natural basic responsibilities of community councils. Planning matters, such as zoning, minor variances, even official plans, are best developed through a neighbourhood jurisdiction. Community development—making our community a better place to live—is another function best placed with local government. No one can involve its local people more effectively than the local council, nor be closer and more responsive to its citizens' needs. Accountability is enhanced by having councillors living within easy access of their constituents.

We believe that waste management, with the exception of landfill sites, is handled most effectively locally. In Kent county, landfill sites are a matter of private enterprise and therefore exist outside this discussion. We are also of the opinion that roads can be most efficiently maintained by local authorities. If two or three existing garages operated by different levels of government must be amalgamated into one operation to avoid present duplication and inefficiencies, we think that the local units can best administer the road system.

1610

Other responsibilities such as health, social services and education are best administered at a restructured county level. We know, however, that in New Zealand education responsibilities reverted to local boards for each school, and I'm sure you're familiar with the changes that have happened there.

By now you've realized Howard township is a strong supporter of a two-tier county system of local government, as well as the most cost-effective way of delivering services and promoting community. As well, a two-tier system of government in Kent county would avoid the overwhelming dominance that the city of Chatham would have in a single-tier system. The province can attain the goals which it is trying to achieve with a two-tier system in Kent county, while leaving the citizens with a service-oriented administration within their own communities.

Currently, our council is unable to effectively deal with the changes that are coming because of the confusing messages being sent by provincial representatives. An example seems to be the issue of so-called voluntary restructuring. That issue should be clarified immediately in the legislation so that the process can be addressed. Is it county council or local councils that make the call? What triggers mandatory restructuring by the ministry? Could it be finances? What is the role of separated cities, if any, in restructuring, or can that be determined locally? What are the minimum criteria which the minister is establishing as restructuring principles which must be met locally?

Until such issues are resolved, positive local action will remain ineffective, with the various players galloping off in different directions. In other words, until we know the rules, we cannot play the game.

One important area of local concern has not been addressed either in Bill 26 or any other proposed legislation which we are aware of. Society in Ontario and across North America is moving towards less accountability for individuals and more liability to corporations, especially public bodies. The so-called deep-pocket theory has been embraced by the legal system in Ontario following the lead of courts in the United States. The province must make a fundamental change in the judicial system under its jurisdiction to redirect claim limits to a more reasonable level. Society is in need of a more balanced view of individuals' responsibilities versus the responsibility of society at large. This change will require legislation capping limits on liability to municipalities and other public bodies. The new Ontario must not be restricted by a judicial system which threatens to undermine the changes which are proposed within the public sector.

We also wish to address certain areas of the changes which the province is advocating. One of the ongoing problems which has affected local bodies for many years is the different year-end date for municipal governments as compared to the provincial government. As you are aware, municipalities have a legislated year-end of December 31, while the provincial year-end is March 31. As a result, financial information is always late in arriving from the province on which the municipalities must base their budgets. This problem could be easily solved by changing the legislation to accommodate a common year-end date.

As well, we have concerns about the proposal of the province to have restructuring and a new Municipal Act in place by January 1, 1998. As you may be aware, municipal elections take place in November 1997, with the new councils taking office on December 1. There would appear to be a one-month variance in the proposed legislation. We suggest that further consideration should be taken of the municipal year-end date, the election date and the date on which any restructured municipality would come into existence.

Finally, the fiscal and economic statement presented in November 1995 made massive cuts to individuals and groups throughout our society, with the exception of the highest wage earners. Certain individuals, including MPPs, provincial and regional and local employees and the staff of such groups as school boards, library boards and children's aid societies receive vastly greater income than the average citizen. We suggest putting a maximum annual cap of $70,000 on wages and $50,000 in pensions for all publicly funded persons in Ontario to save millions of tax dollars, without creating a hardship to any individual.

In summary, (1) consider a restructured two-tiered system of local government, (2) give us all the rules for the process, (3) protect local public bodies from unlimited liability, (4) address some of the current problems in the existing and proposed process, and (5) consider putting a wage and pension freeze on the high-income public staff.

Howard township takes the view that we represent all of our residents living in the community, where the person next door may be a successful businessperson, a farmer, or a person who has less good fortune. This of course makes for a diverse community and a council very much in touch with the reality, a council that takes the pragmatic approach to finances but does not disregard the human factor. Those are the people we were elected to serve, every one of them.

I thank you for your attention to this presentation. We hope we have given you additional food for thought. If you have any questions on any of the matters I have raised, I'd be pleased to elaborate at this time.

The Vice-Chair: Thanks very much. Each party has about six and a half minutes, beginning with the members of the opposition.

Mrs Pupatello: With all the cuts that have gone across the board to municipalities in Ontario, $1.3 billion, do you think it's going to be as necessary to implement restructuring processes from a provincial level down to the municipal, that the threat of less money obviously makes people consider restructuring where they may not have done so before?

Mr Langstaff: The reduced finances we're receiving and the threat and implication that there will be more certainly puts pressure on our municipalities to cope with that. We're certainly not suggesting that there shouldn't be changes or that there can't be changes. We're only suggesting that their scope can be handled in relatively local areas.

Mrs Pupatello: A number of mayors are already on record as looking forward to the ability to slap user fees on just about everything that moves in their municipalities. Some are saying they're looking forward to the head tax and the sales tax, the gas tax. What kinds of taxes and/or user fees would you implement, and if you don't implement the user fees to make up for the loss of revenue, what service would you consider doing without in your township?

Mr Langstaff: We already have service fees in our township. We're using it on garbage disposal. We use it on planning issues. Building inspection is virtually self-supporting in our municipality. I don't see where we could do a lot in that area. Someone did suggest, tongue in cheek, that if we put a toll booth at the entrance to the township office and we used one of the new $2 coins, we could charge everyone including council and staff when they come in the building, and that might assist us.

Mrs Pupatello: Would you do without a service, then? Have you decided what you're not going to do?

Mr Langstaff: When our services are basic, when we are providing core services, the only realistic place we can make cuts is in our transportation budget, and that's to lower services.

Mrs Pupatello: Is that maintenance of your transportation?

Mr Langstaff: Maintenance and capital, and when you're doing that, you're buying from the future to pay for the present. I think it's very clear that that's what we are doing.

Say we eliminated recreation. We use a lot of volunteers, and our total recreation budget is somewhere under $40,000 a year. A lot of that goes into joint projects with the town of Ridgetown. It's a sizeable amount of money, yes, but if we cut it in half we save $20,000, and that's not a lot in terms of the money we are talking about having to save, so that's not realistic to go to.

Administration is pretty core when you have a basic number of very well-qualified staff performing the work we're doing.

We come back to the fact that if you want to save the big dollars, you've got to go where the big dollars are, and that means transportation, which makes up well over half of our budget.

Mr Crozier: You've got some very interesting proposals in your submission. One is limiting the liability on municipalities. We all know, with some of the settlements recently, what the increases in insurance premiums alone have been to the municipalities.

But I think you're a little late, because it may interest you to know—maybe you've seen it already—that the Attorney General is suggesting a change to the system in the near future that would allow contingency fees. If we think we've seen a lot of lawsuits in the past, I suspect we can't imagine how many lawsuits there will be once contingency fees are allowed. Essentially, that says: "Come on in. We'll sue the township. If we collect, we'll want 50% of what we get for you," or 25% or 10% or whatever, "and if we don't get anything, you don't pay anything," or you may pay a minimal fee for disbursement.

If those changes come about, municipalities are headed into a whole new realm of increases in the cost of insurance.

1620

I was interested as well in your comments about a maximum annual cap of $70,000 on wages. Do you realize the cut in pay that the political-whiz-kid staff of Premier Harris will have to take if you did something like that?

Mr Langstaff: We didn't put any names on it, sir.

Mr Crozier: Talk about a 21% reduction in welfare. These guys would have to take a tremendous cut in pay. When you thought about this, did you mean it for the broader public service? For example, there are medical people who are under the employ of—

Mr Langstaff: May I just explain where I got that from before we get in too deep?

Mr Crozier: I know you guys, so I knew you got it from somewhere.

Mr Langstaff: First we assumed that the financial situation the province has—and "financial situation" is what my banker tells me I have at times—is as serious as the province tells us it is. We took the average wage in Kent county and multiplied it by two, and that came to about $70,000 a year. Then we took what the province expects the average person on welfare to live on, which I understand is around $600 a month and multiplied that

by 10, and that came to $70,000. I don't think anyone could argue that wouldn't be a reasonable amount of money to live on.

Mr Crozier: I knew you would have a solution to that.

Mr Cooke: Actually, if MPPs' pay was brought up to $70,000, we'd be in for a big raise. I suspect you were putting forward that proposal not in a serious way but just as a tongue-in-cheek idea, and the figures were a bit arbitrary, so I won't spend any time on it. I'll talk to you about it after.

I have two areas I want to talk to you about. I gather, from the presentation you've made and from a presentation we heard earlier, that we're hearing played out here a little the debate that's taking place in south Kent county with respect to restructuring. I think that's healthy. I remember hearing a few of these when I was Minister of Municipal Affairs. I'd like to make one point and see if you agree: that restructuring in our municipal system in Ontario has not happened quickly enough; that there's been a lot of talk for the last 20 years about restructuring our municipal governments and not a lot of it has happened.

The concern some of us have about the proposal in Bill 26 is that if you're going to restructure local governments it's got to be done in a democratic way, and by and large it has to be driven at the local level. There may be a necessary step that at some point the end comes and somebody has to make a decision, and if there can't be a decision made at the local level then somebody makes that decision through appeal to the OMB or some process. The concern a lot of us have about the proposal in this bill is that it basically removes it from the local people and it can be imposed by a minister in Toronto who is not familiar, whether it's Essex county, whether it's Kent county. It really goes from one extreme of not enough happening to another extreme where the democratic process is completely removed.

Mr Langstaff: I think you're basically right. I think an arbitrator or commissioner should be appointed as the very last resort. Yes, we do need some guidelines to work with, we do need some deadlines to work with, and beyond that I think we can handle it at the local level. I'm using "local" as a larger term there than perhaps the county; even, as we suggest in our presentation, the ability to look across county lines if it's necessary, or across what are local municipal lines now. Those changes should all happen at this time.

Mr Cooke: Does it concern you, as it does me, that the sections with regard to restructuring—here we're talking about amalgations, annexations, boundaries and all of that—only apply to county governments in the province and that regional governments have been left out; that this seems to be targeting certain areas of the province and one has to be pretty suspicious about what's up the sleeve of this government?

Mr Langstaff: I've taken more the view that, give me the rules and I'll play the game in the best interests of the local people in my township. I've read the legislation. Frankly, I'm not a legal expert, but I've just thought it maybe moves too far, too fast.

Mr Cooke: When you read through the legislation again, let me reinforce that all the regional governments are exempt from that part of the legislation and it's targeted at the county governments. I think that's unfair.

Mr Hardeman: Good afternoon. In your presentation, you say that the provincial view is to go to single-tier county government. I would just ask if we could get a clarification of why you presume that to be the case.

Mr Cooke: How do they know what you've got up your sleeve?

Mr Hardeman: The question could be what Mr Cooke indicates. Do you see that it's something up the government's sleeve, or have you somewhere got direction that the intent is to go to single-tier county government?

Mr Langstaff: I'm going by memory now. When I look at the basic principles of the restructuring in Bill 26, it seems to me that the first one at the top of the page is, should we eliminate a level of government? That's one of the principles of restructuring. That implies that if the decision has not been made—and I assume it has not—certainly someone is thinking about it. If you look at this logically, it's not going to be the federal government that's eliminated; it's not likely to be the province, though I could make some good arguments that it should be; so that only leaves you the county and the local municipalities. When you eliminate one of those, whichever one, you've become a single-tier government, whether you call it a region or something else.

I would be very pleased for you to tell us today very clearly that that is not the goal of your government. That would certainly allay some of the fears that some of the local municipalities have in our area of Kent county.

Mr Hardeman: The reason I brought it up is to point out that it's for the same reason you suggest, that we should put in criteria telling the local municipalities what it is you want them to do and then they will go out and do it. I think the restructuring part of the act is to let the local municipalities decide their community of interest and the type of government that best serves that area.

The first item in the act, as you suggest, may ask whether we should look at eliminating a tier of government. It doesn't suggest which level that should be, but I would think that if you're looking at your community, it would be appropriate to look at that. The decision may well very well be already made in your instance that eliminating a tier of government is not it, but it would seem to me that everyone should at least look at that. That would seem an appropriate approach, that as you go through the process of restructuring, you look at that alternative. Would you not agree with that?

Mr Langstaff: Yes, I always believe in looking at all the facts, sir. I'm not criticizing any other group in Kent; it would be great to see them put their views on the table. But how do we deal with the situation, if 17,000 people pull out of Kent county, of what that does to the county structure? What does it do to our ability, as a smaller unit, to become a single-tier government? It becomes much more difficult to deliver the services we all know we're going to have to deliver into the year 2000.

Mr Hardeman: That's very true, and that's why the act does require the support of a certain number of the municipalities and the county structure before restructuring would be implemented on the local initiative.

I just want to point out a small, technical part of your presentation dealing with the government's intent to have the new Municipal Act in place by January 1, 1998. The minister's comments were to have it in place by January 1, 1997, so the implementation could take place during that election year as opposed to a month following the election.

1630

Mr Langstaff: I believe that was probably a typo, sir. A lot of this was just put together today.

Mr Hardeman: I appreciate that. I just wanted, for the record, to point that out.

The Chair: Mr Klees, you have just over a minute.

Mr Klees: Are you aware that the minister has on a number of occasions made the statement that the province will not impose amalgamation, that he expects those recommendations would come from the local municipalities?

Mr Langstaff: Sir, I've heard him say that.

Mr Klees: And you don't believe him?

Mr Langstaff: I wouldn't want to put it quite that I don't believe him. I just take a look at the act and see the direction that's going and all the other input and information that's coming around Ontario and what we've been told for probably a year before the present government was elected. Mr Harris said at a convention in Toronto, you know: "We're going to eliminate half of you and we're going to eliminate half of the municipalities in Ontario. We're going to get on with it." Frankly, I took Mr Harris at his word.

Mr Klees: I think, for the record, it's very important that the message is understood that amalgamation will be initiated by the local level of government. The process, as a matter of fact, that Mr Cooke described, if you go back and take a look at his words, is precisely what we intend through this legislation: that the initiative come from the local level, that in the final analysis, if a commission has to be appointed to make some final decisions, that is the intent of this legislation.

Mr Gerretsen: The legislation is already in place. You don't need new legislation for that.

Mr Klees: Obviously, it hasn't worked. If it would have worked, you would have done it. These people have been at it for how long?

Interjections.

The Chair: Gentlemen, please.

Mr Silipo: The problem is not the legislation.

Mr Klees: That's right. It's not the legislation; it's the government, isn't it, Mr Silipo?

Mr Silipo: Why are you changing the legislation?

The Chair: Gentlemen.

Mr Klees: Because we want to get on with it.

Interjections.

Mr Young: You are talking too fast for Hansard. Slow down.

The Chair: Mr Klees, your time has unfortunately expired. Gentlemen, I'd like to thank you for coming forward today to make your presentation.

Mr Langstaff: Thank you again for hearing us.

The Chair: Is there a member from CAW Local 89 with us yet?

In that case, I'd like to move forward to the Chatham and District Labour Council: Mr Kitchen.

Mr Duncan: On a point of order, Mr Chair: It's not your intention, if that delegation is not here at 5 o'clock, to stop the hearing at 5 o'clock; that half-hour would be freed up for either those on the waiting list or others?

The Chair: At that point, after Mr Kitchen's presentation, if a member from CAW Local 89 isn't here, I'll ask for a motion to move to the waiting list.

CHATHAM AND DISTRICT LABOUR COUNCIL

The Chair: Mr Kitchen, welcome. As you may have heard, you have half an hour to make your presentation. You may use that time as you see fit. I would ask that you might consider leaving some time at the end of your presentation for questions. I'd appreciate it if you'd read your name and organization into the record for the benefit of committee members and Hansard.

Mr Buddy Kitchen: My name is Buddy Kitchen. I represent the Chatham and District Labour Council from Chatham, Ontario.

As a background, the Chatham and District Labour Council consists of 25 affiliated unions representing approximately 12,000 members. Our members come from both private and public sector workplaces. We were chartered by the Canadian Labour Congress in 1958 and have been representing the views and interests of working people in this area since. The elected officers of this labour council are not full-time positions. Although we are not confined to geographic boundaries, our organization considers the boundaries of the county of Kent to be the same. Politically, we are represented by the MPPs of Chatham-Kent and Essex-Kent.

Bill 26 is so encompassing in its contents that two sets of hearings are being held. Because this labour council represents workers in the health care industry, we have also made application to appear before the subcommittee dealing with health issues. It should be noted that the labour council applied by phone to the clerk of the committee requesting an appointment to appear before the subcommittee in either Windsor or London, the closest geographical locations to us. This request was made December 19, 1995. We were notified January 4, 1996, that we were accepted to make this presentation.

As an introduction, the Chatham and District Labour Council is pleased to participate in the hearings on Bill 26, the Savings and Restructuring Act, 1995. However, we must make it absolutely certain we oppose much of the content of this omnibus bill. Most importantly, we object to the undemocratic process with which it is being forced on the citizens of Ontario. Bill 26 reaffirms our position that this government is autocratic and undemocratic. These hearings are not being conducted as part of the democratic process. We are of the opinion these hearings are a result of relentless pressure by the public to be consulted and unprecedented parliamentary disobedience by the opposition party which embarrassed the government.

We question the government's integrity to implement any of the recommendations brought forward not only to this committee but the other committees as well. My proof of this statement comes from viewing the December 22, 1995, health hearings on the parliamentary TV

channel. Frances Lankin, MPP, tried unsuccessfully to introduce a motion to extend the length of the hearings outside of the Toronto area. It was already acknowledged before leaving Toronto that there were more applicants for submission than there were time slots. A very generic amendment requesting the government House leader be advised of this information was then voted down. This confirmed to me that government members are here to pay lip-service to the people of Ontario in conducting public hearings, but at the same time will toe the party line regardless of the information brought forward.

This act is very far-reaching in terms of content and scope. The fact it creates three new acts, totally repeals two acts and amends a total of 44 other acts verifies this. Bill 26 is over 22 pages long. I am told the compendium provided with the bill is at least a foot thick.

Given the number of acts created, repealed or amended, and given the significance of all other issues involved, the process should allow for democratic input of all concerned. At the very least, given the number of people or organizations who applied for presentations and were not selected, serious consideration should be given to extending the amount of public hearings to be held.

As we are finding out from the hearings to date, interpretation of certain sections of this bill is causing quite an uproar. This finds some groups or organizations now having concerns with the bill they didn't originally have.

The Savings and Restructuring Act includes substantial changes on many issues. I would like to touch on some which are pertinent to our organization as they would affect our members as individual citizens or as a member of an affected group.

Before dealing with specifics of the legislation, I feel it is important to make reference to the individuals whose job it is to draft, promote, debate and vote on this very important piece of legislation, which calls for the MPPs' ability to understand the legislation.

There are presently 130 MPPs in the Legislature. These are individuals who were duly elected by the people they represent, and ideally answerable to them. Of the people elected in the last election, 71 MPPs are sitting in the House for the very first time. The Tory government has 59 members new to the Legislature and provincial politics. My MPP from Chatham-Kent, Jack Carroll, is one of them.

Would it be wrong to assume an individual such as Jack Carroll, who had no previous political experience, hasn't the ability to accept the following changes in his life and do merit to a job he is still getting used to, events such as opening constituency offices in Chatham and Toronto, hiring staff for each, familiarizing himself with his constituency because he doesn't even live in it, familiarizing himself with Toronto because he is going to live and work there part-time, learning the rules and regulations of being an MPP, meeting with his own caucus and being assigned duties within, seeing to the day-to-day responsibilities of his constituents, attending civic functions on behalf of the government, attending the opening of the Legislature in September, meeting with and listening to the concerns of protesters at his office on a weekly basis, starting to dodge the protesters at his office on a weekly basis, being in the Legislature to debate and vote on new far-reaching legislation such as Bill 7, meeting and trying to rationalize to Chatham city council all the provincial funding cuts, appearing on radio debates with local detractors of the Common Sense Revolution, giving his maiden speech in the Legislature, trying to maintain some semblance of family life, chairing the general government committee hearings on Bill 26 etc?

1640

It is probably safe to say Jack Carroll and the other 70 new MPPs are still feeling their way along in their new job and are apt to make the usual mistakes rookie MPPs make until they become familiar with and experienced in the ways of government. In a December 18, 1995, Chatham Daily News editorial regarding him chairing the hearings on the controversial bully bill, Carroll says he expects to hear from regular opponents of Conservative policies, such as union leaders and social activists. Which category did ministers Wilson and Leach fit into when they made their presentations?

I have written letters to my MPP, the Minister of Labour and the Premier concerning various issues. Some letters have gone unanswered, some letters have been responded to four months after the fact, and some letters have been referred to the minister involved, only never responded to. This again shows how extremely busy all members of this Legislature are. I have made phone calls directly to the Minister of Economic Development, Trade and Tourism's office when funding cuts to the proposed ethanol plant in Chatham were announced, only to receive no response from that ministry.

It is conceivable to understand that government rookie MPPs and backbenchers could be ill-informed as to the content of this bill, but one would assume government ministers would have working knowledge of this bill, particularly if your ministry was one of the ones so adversely affected.

After the bill was introduced in the House, Municipal Affairs Minister Al Leach was hard pressed to explain direct taxes at the municipal level. He offered his resignation if he was wrong in his interpretation. According to some experts, he was dead wrong. The charade goes on.

During the first day of public hearings on Bill 26, Minister Leach again denied a suggestion that the ability to impose direct taxes at the municipal level means a new class of sales tax. He said the language was just legalese. According to a Windsor Star article of December 19, 1995, here is what happened next: When pressed by NDP leader Bob Rae, Leach asked for help from ministerial staff. The seat beside Leach became a musical chair as one bureaucrat after another attempted to assist Leach as he struggled to explain the bill.

The Ministry of Health is another ministry which would receive new far-reaching powers. One can raise issue with the fact that the Minister of Health will be able to control a health care delivery system which is the envy of the world, dictate in certain aspects of it, yet holds no medical degree nor comes from a medical background.

To conclude this session, we feel the elected officials who will vote on this ominous piece of legislation are inexperienced and lack the knowledge and expertise to

evaluate this bill at this time. They don't even know their job yet and they are still making mistakes in the day-to-day workings of the basic MPP job. Having only sat in the Legislature approximately three months since being elected, their time has been quite busy dealing with the legislation before them. The MPPs, including the ministers who should know, are ill-informed about the content and intent of this bill. If the large staff an entire ministry has cannot explain the pertinent sections to that minister, as was the case with Minister Leach, is it conceivable the average MPP without the expertise from the ministry staff will be able to comprehend the entire bill?

The Chatham and District Labour Council recommends to this committee at the very least that this act should be broken down into its various components and debated as such.

One also must question who is in control of the direction this government is going and who is really calling the shots. I have been told by my MPP on a radio phone-in show, I might add, that he would not vote against government legislation even if it was bad for our riding.

This scares me when I read a London Free Press article of December 16, 1995, entitled "Whiz Kids with Inside Track to Harris Raising Resentment." This article talks about the unelected insiders, highly influential, who advise the government on policy and how to implement it. I wonder how much of this pertains to Bill 26. It scares me to think they could impact a bill of this magnitude when I read the following quotes: "Politics is strictly just one big game to them." I'm speaking of Alastair Campbell, Mitch Patten, Tom Long and Leslie Noble. "It is this outside group who are saying, 'Ram this stuff. Do it.'" "'There are too many people with too much input who have never even been elected dogcatcher in their life. They have no constituency to answer to,'" said a Tory backbencher. "'They don't understand the democratic process,'" a Tory MPP said.

Reference has been made to this committee that this bill is a power grab which would put the power in the hands of the ministries and thus the hands of the unelected bureaucrats. If this is the attitude of the unelected power brokers of this government, something has to be done to stop them.

Freedom of information: Bill 26 amends two separate acts concerning freedom of information and the protection of privacy. In essence, these amendments will make it harder to gain access to documents and easier to deny access. One should offset the other, not reinforce it.

Schedule K is the section which gives the Minister of Health new powers to obtain confidential health information and give it to whomever he chooses. Allow me to share this information with you: I am a recovering alcoholic. I received treatment at Westover Treatment Centre in Thamesville, Ontario. I have been sober since receiving treatment in April 1993. You now know this information about me because I told you, not because some Minister of Health obtained it from my file without my permission. As a recovering alcoholic, I must tell you, to some, anonymity is an important part of their recovery. Anonymity, much like protection of privacy, once it is breached, can never be recovered.

Pensions: The amendment to the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act facilitates the privatization and downsizing of government employees. If the government lays off the thousands of employees it says it is going to, it will have the authority to deny full pension benefits to those people. Employees should be entitled to all money owing them, particularly if that money comes from pension sources.

Municipalities: Section 33 of the bill makes privatization of public services such as hydro, water, sewer and, in some municipalities, transportation services much easier. Disregard the fact that it was the taxpayers who paid to install and maintain these utilities over the years and disregard the fact that a proper market value can probably never be found, but you cannot disregard the fact the amendment takes away the requirement to hold a municipal referendum. What could be more anti-democratic?

Conservation authorities have had their funding slashed by 70%. This bill will now limit the levies they can charge to the municipalities. This means their source of income will primarily be the decreased provincial funds, whatever voluntary municipal funds are available and increased user fees. This can only lead to the shutdown of many of these authorities. It would be sad to see these areas, which were developed by local residents for local residents, shut down. But the question must be asked, what becomes of the assets?

Restrictions on arbitration: Despite the fact this labour council represents only hospital workers of those affected by the amendments to the five different acts, we must oppose the significant interference with the independence and integrity of the arbitration process. This legislation could force arbitrators to cut wages of these workers or, worse yet, consider whether police, fire, school and hospital services should be reduced. This places the decision-making power in the wrong hands.

Health care: We will make light references to the changes to health care, as we hope to make a presentation to the health hearings.

We oppose the changes to the Ministry of Health Act which would create a Health Services Restructuring Commission. One could assume this is designed to provide a cover for the government on unpopular decisions, such as closing hospitals.

We oppose changes in the Independent Health Facilities Act, which we would argue set the tone for American for-profit companies to take over more of Ontario health care.

Drug prices will become deregulated. This could cause the price of prescription drugs to rise, making it more expensive to provide a negotiated drug plan.

The Physician Services Delivery Management Act treats the doctors like the Leamington mushroom farmers who were decertified with the repeal of the Agricultural Labour Relations Act. It voids the Ontario Medical Association's agreement, strips the OMA of negotiating rights and says any judge's ruling, decision, award or order to the contrary shall be of no force or effect.

In conclusion, Bill 26 represents a large power grab and redistribution of power for Ontario politicians. There

is an attempt to centralize power in the hands of the ministers of the crown. When that happens, the power really lies in the hands of the unelected bureaucrats, not the duly elected officials. As pointed out, the unelected power brokers of this government can't be trusted by their own people. In this case, what happens to the principles of democracy? They become sacrificed by a few for the benefit of a few. The government holds no constituency, they answer to themselves, and democracy stopped when the ballots were cast.

1650

It is because of these actions that the Chatham and District Labour Council holds the government of Ontario in disgust as a government that cannot be trusted and a government that refuses to consider all the residents of this province when setting policy.

Also included in this are many of the newspaper articles that I referred to from the London Free Press, the Windsor Star, the Chatham Daily News. The second-to-last one just happened to be one that I came across from the Chatham Daily News on December 18, "User Fees Could Cost Lives," and they're talking about the possibility of fire calls being answered by user fees. I just thought that it was appropriate. The third was a newspaper ad that appeared in the Toronto Star this Sunday past and I just put it in there for your viewing pleasure, I guess.

The Chair: Thank you. We have three minutes and 20 seconds, starting with the third party, Mr Cooke.

Mr Cooke: First of all, I want to congratulate you on not only your presentation but congratulate you on the work that was done in the Chatham-Kent area to get the government to reverse its position on the ethanol plant. Some of us will remember that this government came to power saying that never will there ever be a grant to the private sector because business doesn't need any money in order to get industry started and jobs created. That's not the job of government; that's the job of the private sector. I notice that they backpedalled on this one pretty quickly and I think it's in large part the people of Chatham-Kent and the labour organizations that lobbied hard to have that money restored.

I notice they did it the day after the Legislature adjourned, but at least it now looks more hopeful that this plant will proceed and I want to publicly congratulate you while you're listening, but I'll tell you, it certainly shows what a phoney, inaccurate platform the Conservatives ran on in the first place because it just doesn't work, and you're beginning to realize that pretty quickly, if only you could realize it with Bill 26.

I want to just build a little bit on what you've said here at the beginning about the fact that it's difficult, and I would say it's not just difficult for the newly elected MPPs to understand this very complex legislation; it's difficult for those of us who have had many years' experience. But would you not agree that, more importantly, if democracy is going to work in this province, information and understanding of the democratic process of what's before the Legislature of all the people of the province is equally important to that of the MPPs, and if MPPs can't understand the legislation because of the tight time, and you know this would already be law if it wasn't for the fact that these public hearings were forced on the government, how can the democratic process work effectively when very, very few people in this province can even get access to the information about this bill? Have you been able to access not only the bill but all of the compendium of information that goes with the bill?

Mr Kitchen: I'm of the understanding the compendium is $600. I'm not in Toronto on a regular basis; I'm there probably two or three times a year. You said you could pick up a copy at the government bookstore. I don't know whether it's closings or maybe we just don't have it in Chatham, but we don't have a government bookstore to be able to access it. Some organizations seemed to have it, but if they did, they were hoarding it.

What you're saying, Dave, is absolutely true. When I toyed with the idea of trying to bring forward whether the MPPs who are actually going to vote on this bill have the ability to understand it and interpret it and vote on it properly, I had mentioned it to three or four other people, and I was saying the idea of the rookie MPP, and each and every one of them said, "To hell with the rookie MPPs; it's all MPPs," because it is so large.

I asked Sheila Copps, on a federal basis, when the NAFTA was going through, and NAFTA was an extremely large, voluminous type of bill too, and I asked her when we were in Hamilton one time if she had read the entire bill and fully comprehended it when she voted on it, and she said no. And I asked her why and she didn't have an answer. That answer can only be "to toe the party line." If you're only toeing the party line, where the hell is democracy in there? Particularly in Chatham—Kent—and I make this point public and I don't say this to personally pick on my MPP—but my MPP doesn't even live in the riding; he lives outside the riding. He tried to run to be the mayor of Chatham and it was an issue there. It was a lesser issue during the provincial election, but the fact of the matter remains that I've got an MPP who's going to sit in Toronto and pass a piece of legislation that is going to impact me in my house, the possibility of my taxes going up, and he's not even living in that riding to read the horror stories of what's going to happen. I don't think there's democracy there, that he can sit 200 miles away and pass legislation that he doesn't even know what the hell is all about.

The Chair: Excuse me, Mr Kitchen; we have to move to the government side.

Mr Tascona: Thank you very much, Mr Kitchen, for your presentation. I just want to question you and maybe comment more particularly on arbitration, the schedule Q, on the substantive proposals that you've made.

With respect to the independence and the integrity, certainly these are legislative, mandated criteria. Like any judge, an arbitrator would be required to interpret the legislation and do it properly. It's not dissimilar to what happens in the courts. So we don't believe that it takes away the independence.

But I would like to comment, though, on the statement on cutting wages and also reducing services. That's not the authority that's being given to arbitrators. I totally subscribe to your thoughts in terms of who are the decision-makers in the process. It should be the municipality, it should be the police services, it should be the

hospitals and the workers to make the decisions on what's going to happen with respect to how they provide the services, and that's the intent. So I can subscribe to what you're saying.

With respect to the freedom of information, the impact is not on the access. What's been changed is it's been given to the elected officials to decide how to deal with the access, rather than an unelected bureaucrat being down at the privacy commission making a decision on whether it's a frivolous or vexatious claim. It's going to be the local authorities that are going to make those decisions, not the privacy commissioner who has taken over that jurisdiction. We've switched it around. But there will be a right of appeal in that matter.

I'd like to ask you, in terms of dealing with this process, how do we deal with a process where certainly the public interest has to be taken into account? We have different ideologies, we have a different approach. Obviously some agree, some don't agree. But we're dealing with approach. Do we just take an approach or do we just tax unlimited? Is there no limit to how much we tax? Is there not a balance where we can come forth with a fiscal, responsible approach? Because we are facing a fiscal problem. Is it a revenue problem or is it an expenditure problem?

Mr Kitchen: You sit there and you always tell us how much we owe, but you never tell us how much we own. The other thing too is that if you're sitting there and saying—and I really believe some of the talk going around and saying that you want to cut, cut, cut. But if the end result is the tax break, it's absolutely wrong.

I would think a more logical approach would be to—you always talked about the interest that we're paying. Why don't we do something? We as a union have been approaching the federal government to do something about the interest rates. Why isn't this government going after the federal government? It has been mentioned at times that if you can reduce the interest rates 1% and reduce the unemployment rate 1%, we could probably afford anything we want in this country, because when people are working, they're contributing to the tax coffers and they're not drawing on the social safety net. So you'd have the double hit there. But I don't see anything being done about job creation. I don't—

The Chair: I apologize. Maybe members would like to shorten their preambles in order to let Mr Kitchen get a full answer in.

Mr Gerretsen: I'd just like to follow up on something, and that's basically the intellectual dishonesty in which this whole process was started. First of all, this bill was brought forward in the House and we were given about a total of two weeks initially. Then, later on, some hearings were allegedly given in the House. There were about 300 hours in Toronto for three committees sitting at one time, about 20 hours a day, I guess. That's one thing.

1700

The other thing I'd just like your comment on is this. It's really meant for the municipal people, but I'd just like your comment. Basically, the government said to the municipalities, "We're only going to give you half your grants," and the municipalities said—I used to be a mayor at one time: "Okay, but then give us what we want. We want more power." The minister has said in the House on numerous occasions, whenever I and other people have asked him questions, "Yes, the municipalities want more power; they want more autonomy." So they're giving it to them in the bill by giving them the direct taxation power and now they come back and say: "We really didn't mean it. No, we don't mean sales tax, we don't mean income tax, we don't mean a gas tax etc," and yet that's exactly why it was put in there. If they don't want it, why did you take it out? Do you have any comments on that at all as to the honesty of the whole approach? If you're going to give them more powers, at least be honest about it and say, "Here are more powers," but they're not really giving them more.

Mr Kitchen: One of the things I have found is that despite the fact that they say there's not partisan politics at the municipal level, I think it does exist. Many's the time you'll find that when a new government is elected, they're going to go up there and suck up to them for anything they can get.

Mr Gerretsen: Local politicians? Absolutely.

Mr Kitchen: If it happens to be agreeing with them here or agreeing with them there—"They're new in the mandate, let's suck up to them." It's no different than your kids. If your kids want the pop and you're not going to give it to them, they're going to suck up to you, and I think some of it's going to come down.

The other thing I'm starting to see in the city of Chatham, and I'm really disgusted to see this, is the Common Sense Revolution in a very small majority of our local councillors; they're trying to implement it at the local level, and I'll tell you it just doesn't fly. I don't think it flies at the provincial level and it would have an even worse impact at the municipal level.

The Chair: Thank you very much, Mr Kitchen, for coming forward today.

Would CAW, Local 89, please come forward. Still not available? Then I'd like a member to make a motion that we take the first person on the waiting list and hear them for the remaining half-hour.

Mr Gerretsen: Who is it? Mike Harris's brother-in-law?

The Chair: I don't think that should matter. Do you want to fill that last half-hour?

Mr Cooke: I just wondered whether, because there had been some discussion going on that there was a possibility, the top three were willing to look at having three 10-minute presentations. We've got a couple of public sector—the firefighters are in the top three as well. If we could get Cheryl, the firefighters and one other, they'd each have 10 minutes. If that was acceptable to them, we'd have something on the record from three.

The Chair: The only problem with that is that there'd be no time for questions. But if you'd like to make that motion, you may.

Mr Cooke: At least they'd get something on the public record.

The Chair: Mr Cooke is moving a motion that the three people on the waiting list be allowed 10-minute presentations.

Do we have any debate? All in favour of the motion? Motion carried.

PUBLIC SERVICE ALLIANCE OF CANADA

The Chair: Would Ms Cheryl Lucier please come forward. Welcome to the committee. I realize you've been here for some time. As you just heard, you'll have 10 minutes to make your presentation. If there is any time left over, we'll divide it equally among the caucuses to ask questions.

Ms Cheryl Lucier: I have been waiting here since 8 o'clock this morning. I'd just like to introduce us. My name is Cheryl Lucier. I'm president of the Public Service Alliance of Canada, Windsor area council. With me is Helen O'Keefe, chairperson of the PSAC regional women's committee. Because of the time constraints, I'm going to let Helen make a few brief comments and then I'll make my presentation.

Ms Helen O'Keefe: The regional women's committee of the Public Service Alliance of Canada speaks out against Bill 26 in its entirety. The bill is too broad and diverse to comment on section by section, but there are several items we feel will be especially detrimental to women and children, who constitute the majority of the poor in this province.

Layoffs of provincial and municipal workers will necessarily follow the implementation of Bill 26, and as layoffs usually take place at the service level, they will affect women the hardest. A cap on pay equity adjustments will increase the difference between the pay rate of men and women to an even greater extent than it is today. Unfortunately, even with pay equity legislation, that gap has been widened.

Mandatory arbitration based on the employer's ability to pay will affect all government workers, but will especially affect women again because they are at the low end of the pay scale, and layoffs or wage cuts will reduce their standard of living. User fees for prescription drugs will be especially difficult for single parents. User fees for municipal services such as parks, libraries and arenas will have a detrimental effect on all children, especially those on social assistance, or single-parent families. As a hockey mom I truly appreciate the fact that we pay very much now for our children to play in the arena.

We also point out that our federal and provincial governments are making cuts that affect those who are least able to care for themselves. It is time that the wealthy were made to pay their fair share. We are a caring society and we'll fight to maintain that proud title.

We'd also like to say to our fellow public servants at the provincial and municipal levels that legislation such as Bill 26 is an attack on your collective bargaining rights, as the federal government employees certainly know. Please help your union when it's asking you to join it and in your own fight-back campaign and we will be there beside you. It is only by uniting that the workers of Ontario will win this fight.

Ms Lucier: I'm glad to be here today. My first suggestion to this committee is to set up a proper and consistent procedure for choosing and notifying applicants to any standing committee. As representatives of our provincial government, if you are chosen to sit on a standing committee, you should insist that there are at least some standards upheld. Because of the time constraints, I will not tell you what I went through to get standing, but it's in my brief and I hope you'll take a look at it.

The provincial government does not believe in the consultation process. These hearings are only taking place because of the pressure from the opposition. While I admire the opposition for its show of strength against Bill 26 being passed without public hearings, I must remind those Liberal MPPs that it is their very own federal government which has allowed Mike Harris to pursue his Common Sense Revolution. Federal transfer cuts and changes to the Canada assistance program gave the provinces power and encouraged them to implement even more drastic measures such as this omnibus bill. The Harris agenda is simply the red book agenda being implemented quicker and more ruthlessly. It is an anti-worker, pro-corporate agenda that places the importance of profits over that of human beings.

We are here today because this omnibus bill is contrary to the democratic process and we will not sit idly by while all levels of government decimate the social programs and public services we have fought for and won.

We participate in these hearings as a part of PSAC's fight-back campaign. As federal workers, PSAC members have already felt the impact of federal cuts with layoffs and wage freezes. Our members are faced with cuts to health care, education, child care and our social safety net, and now we will be asked to pay more for municipal services, many of which will be reduced and/or eliminated.

We are here today to say enough is enough. Bill 26 is unacceptable, and we implore the provincial government to throw this document out of the Legislature as an abomination of our rights as citizens of Ontario.

Bill 26 includes sweeping changes in several diverse areas of legislation concerning provincial and municipal workers, the provincial pension plan, municipal restructuring and health care. It should at least be broken up into separate bills and each bill dealt with individually and with lengthy public consultation. The length of this document and the diverse topics which are being included in this document imply to me that our government simply wants to destroy our social fabric as quickly and painlessly as possible.

1710

It is a declaration of war against the working men and women of Ontario and places weapons of destruction in the hands of provincial and municipal politicians. It will give them unlimited, absolute authority to eliminate services, boards, hospitals, pensions and even townships and municipalities. These entities were put in place to serve the public good and they must not be haphazardly eliminated.

Such important changes to the political power structure of this province must not be made so hastily and with so little thought of what those powers entail.

The Public Service Alliance of Canada has spoken against cuts to public services and social programs, not only because we opposed massive across-the-board cuts which undermine our standard of living, but because today there is more wealth in our province than ever

before, and if wealthy individuals and businesses simply paid their fair share, we could eliminate the deficit without giving up our services and social programs.

Huge profits in Ontario are being made tax-free while the poor are having their benefits cut and workers are paying the biggest chunk of our ever-increasing tax burden. What we are creating is a class structure that has only two classes, the rich and the working poor. This is not acceptable to the union that I represent and it is not acceptable to the citizens of Ontario.

Bill 26 is another case of one government downloading its responsibilities while cutting funding. It is a political move made to ensure that cuts are made but that the ones making the cuts are not blamed for them.

Bill 26 gives the municipalities broad new powers, but with this power come huge reductions to the moneys coming from the province. City mayors and councils will be vilified when they use these new powers to eliminate services and implement user fees, and the citizens may forget that it is actually Mike Harris who is responsible. We will expose this downloading and point the finger where it belongs.

This downloading is a familiar thing to the people of Ontario. In the last federal budget there were not only huge reductions to the amount of transfer payments to Ontario, but it also gave the province more authority on how to spend this money. Programs and organizations that had previously been guaranteed funding now saw their moneys lumped into block payments and redistributed.

In Ontario there is a huge outcry against Mike Harris and the provincial Conservatives because of the massive cuts, and rightly so. But at the same time, Jean Chrétien and the federal Liberals are gaining in popularity, even though it is their budget that is ultimately responsible for the cuts we face in Ontario today.

Jean Chrétien and the federal government have successfully transferred the blame to Mike Harris for betraying us, and now Mike Harris is playing the same game with Bill 26 by letting the municipalities take the blame. We do not support Bill 26 and we will continue to put the blame where it belongs: on Mike Harris and Jean Chrétien and on any politician who puts profits over people.

The Chair: Thank you both for coming forward.

ALBERT SCHUMACHER

The Chair: Mr Schumacher, please come forward. Good afternoon, sir. You have 10 minutes today to make a quick presentation. You may use that time as you see fit. You may wish to leave some time at the end for questions. I know that might be tight.

Dr Albert Schumacher: Ladies and gentlemen, thank you for the opportunity to present. My name is Albert Schumacher. I was born, live and practise medicine in Windsor. I'm a general practitioner here, I'm a member of the Essex County Medical Society and I happen to be a member of the board of directors of the Ontario Medical Association.

My colleagues across the province and I have been reviewing the proposed legislation for the last six weeks now. Daily we seem to uncover new implications, which only increase our level of concern.

I'll initially address schedule A of the Public Sector Salary Disclosure Act, 1995. The purpose of this act is to assure public disclosure of salary and benefits paid in respect of employment in the public sector to employees who are paid a salary of $100,000 or more a year. It also applies to the broader public sector and to the not-for-profit private sector that is significantly funded by government.

I should mention at this point that physicians' OHIP payments are not included in this disclosure, so I'm not speaking out of self-interest. Rather, I bring to you four years of experience as chair of a staffing committee which reviews and is accountable for hundreds of employees, a number of whom fall into these remuneration ranges.

Performance review is a complex process at any level of management, let alone the most senior. Those of you who have served as ministers in the government are more familiar with these burdens. Public disclosure of a dollar sum a without full job description, including unpaid hours, expectations, numbers of employees and size of departments, is an injustice. Further, it gives no recognition for the level of training or years of experience. To see one's supervisor, boss or leader treated in such a manner is a humiliation both to the individual and those who work for and with him or her.

Those civil servants and public sector workers at lower remuneration are by no means immune. There is regulation-making authority, among other things, to add or remove employers from the application of this act and to prescribe an amount of salary other than $100,000 for the purposes of the act.

The civil service in this country, and especially in this province, has been under attack for the last number of years. These are the people who are expected to be impartial, to serve and to have the public good at heart. For most, there is no overtime pay, there are no bonuses, no stock options and no patronage appointments. Certainly, in 1996 there are few children who would list public employment as being anywhere but at the bottom of their aspirations. As such, we are only going to attract the bottom of the talent pool to these positions in the future.

It is simply not acceptable for individual ministers in cabinet to shirk the supervisory role by simple public income disclosure. Certainly, after one's medical record, one's income and financial records are the most confidential. To all individuals, this is and must be a sensitive area. If the government or cabinet finds bureaucrats who are not worth their pay, it is their job to move, fire or replace those individuals. Unless the government gives me and the rest of the public considerable further information and power, I am unable to do this for them.

Should this act pass, then one would be left with significant inequalities. Provincial employees, and by transfer, municipal employees, would be affected, but their federal counterparts would not. If we are to make do with a smaller civil service, it must be one of superior quality. The people of Ontario expect no less.

Turning to another area of concern is schedule M, the Municipal Act and related amendments. The power of the

municipalities to license various business activities has been expanded to give municipalities what the government explains in the explanatory material accompanying the legislation is a general licensing power. This general licensing power could apply to any trade, calling, business or occupation except for certain manufacturing activities. This would allow municipalities to bolster their revenues through newly added licences to professionals, tradespeople and others, without any value added. There would be no restriction on the amounts charged and no restriction on the number of licences required. As such, one might require a mechanic to have one licence for trucks, another for cars, another for gasoline engines and another for diesel.

Under the current provisions of the Municipal Act, the failure to grant a licence and the suspension or revocation of a licence is subject to appeal to the Divisional Court. However, the proposed amendments appear to grant the municipality final say as to whether or not a particular licence is granted or refused, revoked or suspended, without any right to appeal. Thus, some municipalities could close their doors to further licences without those being refused having the chance to appeal.

I can conceive of no benefit to my dentist, barber or auto mechanic having a municipal licence; neither can I see it a benefit to myself as their patient or customer. They certainly pay their share of business and property taxes already. There would be a continued degradation of provincially appointed inspectors, the quality of whom would not be maintained at the municipal level.

In closing, I find the entire bill to be a hasty, secretive document prepared without the benefit of the usual thought and consultation allowed to the drafters. The absence of any regulations accompanying the act is even more ominous. I would urge the government to give further time to study and debate the implications of this bill.

Finally, I'd like to thank Mr Alvin Curling and the members of the opposition for making these hearings possible, and I look forward next week to being able to address the significant aspects that affect health in this province. Thank you.

1720

The Chair: Thank you. We have a little time for questions. We'll start with the government side for about a minute and a half.

Mr Hardeman: Going to public disclosure and whether it's good, bad or indifferent, there seems to be genuine support, if not for all the bill, at least for that section. I believe you may be the first presenter who has expressed concern about the public disclosure.

Dr Schumacher: I don't think the deputy ministers in your government nor the people in the very senior civil service are allowed to speak out against this bill because of the nature of their job. I believe we require these civil servants. With the time constraints of the legislation and the rapidity with which it was brought forward, I think they were handcuffed and put on too rapid a timetable to do the usual good job they do.

Mrs Pupatello: The point you mentioned on that topic was that once you start down this road, you don't know where that might end. Could you fill the committee in on that aspect regarding this issue?

Dr Schumacher: My concern is that as soon as you pick an arbitrary number of $100,000, there will be a further outcry for further amounts of money. I heard $70,000 here earlier today. Finally, the entire public sector may have to have their salaries disclosed. I believe that would cause significant problems to the individual. People look at individuals, unfortunately, not on the basis of their qualities but often what kind of car they drive and how much money they make. That's a social injustice but something that happens, and I believe this would further fuel that type of social injustice.

Mr Cooke: With 30 seconds for a question, I'll just make one point and ask for your comment. I personally, and I think my caucus, support the disclosure of public sector wages over $100,000, as we did when we were in government for publicly traded corporations in the private sector. The concern which I think underlies your objection to that section is more that the motivation of the current government is one of a complete lack of respect for the public sector, instead of accountability. That's my concern about the section, and I would agree with your concern if that's the motivation, and I do believe that is the motivation of this government.

Dr Schumacher: I think we're going to have difficulty attracting people of quality into the senior public service knowing that this is the way they'll be treated, that their incomes will be flagged and this is how they'll be viewed, at least by the elected part of the government.

The Chair: Thank you for coming forward.

WINDSOR PROFESSIONAL FIRE FIGHTERS ASSOCIATION

The Chair: Sorry. Good evening and welcome. As you've heard, you have 10 minutes to make a presentation to the committee. You may use that time as you see fit. Please introduce yourself to the committee before you start.

Mr Joe Fauteux: My name is Joe Fauteux and I'm a full-time firefighter in the city of Windsor. I also serve in a number of other capacities. I am a district vice-president for the Ontario Professional Fire Fighters Association. I am the secretary of my local association here in Windsor. I sit on the negotiating committee in Windsor and I also serve as an advocate for firefighters' boards of arbitration throughout the province of Ontario.

Let me begin by saying that if passed, this bill will cause nothing but havoc and grief to tens of thousands of workers in this province. It will not, in my view, as the government thinks it will, significantly reduce the deficit of this province. It will do nothing to be positive in creating jobs; in fact, just the opposite will occur.

As a firefighter in this province, I see the elimination of many fire department jobs and the resultant fact of a decreased level of service provided to Ontario citizens. What is even worse is the reality that lives will be lost because of the passage of this piece of legislation.

The two greatest areas of concern that firefighters have in this omnibus bill include schedules M and Q. Schedule M would amend the Municipal Act to provide the

government with wide powers to restructure existing municipalities and localities. It also provides the municipalities the power to assign user fees in the delivery of their services.

The powers to be exercised by the minister or a commission in implementing a restructuring proposal are left entirely to be established by regulation or by the commission itself. The minister is given virtually unlimited powers to determine, by regulation, the composition and functioning of a restructuring commission, including authorizing the commission to apportion its costs among the municipalities or local bodies affected by the commission's report.

Apart from the power to restructure municipalities, the bill would give the minister, together with municipalities, broad powers to alter or eliminate local boards under the control of one or more municipalities, and that would include a fire department. Under the bill, the council of a municipality would have the power to dissolve or to make other changes to any local board simply by passing a resolution. Furthermore, the bill also gives the minister the power to make regulations exempting a municipality which has taken over other operations of a local board from the application of any other legislation.

While the full impact of these proposed changes on the operation of municipal services will only be understood when the regulations are enacted, the bill would provide the authority for municipalities to eliminate or fundamentally alter the structure and delivery of municipal fire services. Furthermore, it may be that the power to make changes to a local board such as a fire department could result in significant contracting out or the elimination of our service.

What effectively can happen is that a municipality can, without even the necessity of public debate, eliminate a fire department by amalgamation or restructuring with another, and therefore eliminate the current collective agreements of the firefighters left behind to make up the new department. Firefighters have no successor rights under any legislation, so obviously their collective agreements, which took years to develop, would be worthless. To me, this is the ultimate disaster. I ask what moral person of the Legislature could ever endorse such wide, sweeping powers to anyone. Any upper-tier government can virtually eliminate any present fire department by joining forces with another department and thereby eliminate both previously existing collective agreements.

In a conversation with Mr David Burnside, who is the legal counsel for the Solicitor General, this exact scenario was put before him and he was asked what the protection would be for the firefighters if an upper-tier municipality assumed the function of fire protection. He informed our association that those employees affected would have no collective agreement and no protection whatsoever. They could all be dismissed at that point in time with no recourse whatsoever. To me, this is archaic.

The other area of schedule M that causes me a great deal of concern surrounds the municipalities' right to start charging user fees for the delivery of services. Municipalities and local boards will be given broad new powers to pass bylaws imposing fees or charges on any class of persons. These fees and charges may be levied for any services or activities provided by the municipality, for any cost payable by it for services and activities, and for the use of any of its property.

I fully understand the intent of allowing municipalities the ability to charge for their services in order to regain some cash flow for their municipalities because of the tremendous reductions of the transfer payments that have taken place over the past and will most likely continue to take place in the future. On the surface, this may seem appropriate. However, when user fees are attached to the delivery of an emergency lifesaving service such as ours, such as firefighting and fire rescue, ultimately the lives of Ontarians will be put in jeopardy.

You have already heard the horror story of how Mel Lastman, the mayor of the city of North York, looks upon specific user fees in the fire service as a gold mine for that city. He has already got in place a plan to charge $300 should you be unfortunate enough to be driving through his city and have a vehicle fire. If Mel Lastman is thinking about this tax revenue for the city of North York, how long before this will be adopted by other municipal officials throughout this province? The municipal bureaucrat or politician who may only look at revenues will, like Mel Lastman, view this opportunity as a new-found gold mine.

The Ontario Professional Fire Fighters Association feels that imposing user fees for firefighting and for fire rescue is definitely a recipe for disaster.

1730

The second area of Bill 26 that needs to be addressed from a firefighter's perspective revolves around schedule Q. Under this schedule, the government is legislatively imposing criteria on the interest arbitration process for firefighters, thereby striking at the very independence and integrity of the only method available to essential service workers for settling the terms and conditions of their collective agreements if negotiations should fail.

There's a list of the five criteria being suggested to be imposed upon the arbitrators. Those five provisions constitute a significant interference with the independence and integrity of the arbitration process. Arbitrators themselves have stated that basing an award on ability to pay could render the interest arbitration process largely irrelevant, since the use of ability to pay could allow the government and employers to unilaterally determine wages and benefits simply by allocating a fixed or reduced amount for employee compensation in their transfer payments or budgets.

If an employer can unilaterally fix or reduce the budget for employee salaries and benefits and then argue that arbitrators are bound by the employer's budgetary decisions, this could also undermine the process of collective bargaining itself, since there would be little, if any, incentive for the employer to reach an agreement when it is clear that the arbitrators will have no choice, at the end of the day, other than towards the employer's position.

By imposing this criterion on arbitrators, the government may be able to effectively implement wage controls without doing so directly, thereby using arbitrators as a buffer to escape its responsibility. I would suggest to you that using arbitrators as your scapegoat to achieve wage

restrictions and controls is not the sign of a meaningful and committed government. The ability-to-pay criterion deprives employees of a fair and impartial mechanism for determining their terms and conditions of employment.

If arbitrators are directly appointed by the government which lays down in legislation certain criteria the arbitrators are bound to follow in the determination of their awards, it is inevitable that confidence in the system will diminish.

The Association of Municipalities of Ontario would lead you to believe that the vast majority of firefighter wage settlements are determined by boards of arbitration. This simply is not true. In actual fact, the reverse is true. Nearly 89% of all collective agreements have been successfully and freely negotiated by the respective parties, without resorting to interest arbitration, over the last 14 years.

The Association of Municipalities of Ontario has insinuated for years that because of certain arbitration awards, the firefighters had the arbitrators in their so-called back pocket. As an advocate for firefighters' boards of arbitration, I find that type of attitude totally unacceptable and insulting to the present list of arbitrators in this province.

I would put to you the following issues for your consideration.

If the firefighters in Ontario did have a distinct advantage in the arbitration arena, why would we not be running there with greater frequency?

Why would the Windsor firefighters and their negotiators not simply go through the motions and then, after a period of time, proceed to a board? In fact, the Windsor firefighters have not been to a board since 1984.

If the arbitration process did indeed favour us, why would we work so diligently at reaching an agreement with our corporation through the negotiation process?

If the arbitration process favours firefighters, why is it that the firefighters of Mississauga are not miles ahead of every comparable fire department in the province? The Mississauga firefighters have been to a board of arbitration for seven consecutive years. If the arbitrators were unscrupulous and did not regard the municipality's concern, as is suggested by AMO, the Mississauga firefighters would be miles ahead of everyone else. Obviously, this is not the case.

The reason it is not the case is that in either of the above situations, the current list of arbitrators do as their mandate directs them to do and replicate the free collective bargaining processes when handing down their awards.

The Chair: Regrettably, I'm going to have to interrupt you. You've exhausted your time. I have to maintain the limits as I have done. I've done that since the beginning and we have to continue that.

Interjections.

Mrs Pupatello: On a point of order, Mr Chair: If we could have consensus that he finish his brief, I think that would be appropriate.

Mr Gerretsen: He's got two pages to go. Come on.

The Chair: Committee, I've maintained strict standards throughout, and I think I can continue to do that. Thank you, Mr Fauteux, for coming.

Mr Gerretsen: I'll move a motion. Mr Chairman, I'd like to move that the firefighter be allowed to finish his presentation.

The Chair: I'll entertain the motion. Are members all in favour? Okay, Mr Fauteux.

Mr Fauteux: Thank you. As I said, remember that less than 15% of all settlements for firefighters over the last 14 years have been settled through the arbitration process. In excess of 85% of the settlements have been settled by the parties themselves through free collective bargaining.

Bill 26 is supposed to carry with it a method of reducing the deficit in Ontario. The current independent arbitration process for settling disputes does not increase nor in any way affect the deficit of the province. Putting criteria on arbitrators for what they must consider will devastate the free collective bargaining processes for those people who serve in the emergency services and go without the right to strike because of the fair and impartial system that exists at the current time.

Finally, I would be remiss if I did not comment on how, in my opinion, the men and women who make up the Ontario Professional Fire Fighters Association feel that we have been deceived by the government. Prior to the provincial elections in 1995, our members undertook a campaign to question virtually all candidates of all parties about matters concerning firefighters and the delivery of our service to our taxpayers and citizens. Specifically, we asked if free collective bargaining would be restored, and second, we asked if we would be consulted about any possible changes to the Fire Departments Act.

You should know that this act, the Fire Departments Act, is a piece of labour legislation that sets out certain rights and obligations on how we conduct our labour relations and bargaining processes. We received written responses from a great number of potential MPPs seeking election on behalf of the Conservative Party. In most written responses, we received letters from the now Premier of the province, Mr Mike Harris, the now Solicitor General, Bob Runciman, the now Minister of Labour, Elizabeth Witmer, and the now Minister of Health, Jim Wilson, all stating the following: "No changes will be made under a Harris government until such time as your members have been thoroughly consulted, and we will insist that all changes be fully costed, both from the point of view of the workers and from management."

I've also included a quote from Mr Joe Tascona regarding his statement on the same issue that was made to the members of the Barrie Professional Fire Fighters Association. He stated: "I truly believe in the free collective bargaining process and would work to support this concept. My council position has given me the opportunity to fully understand your fire department, but I must admit I did not have the opportunity to review the Fire Departments Act, but I do support the current arbitration process."

I have included these letters in the back of my brief for your perusal.

Under Bill 26, the Fire Departments Act is about to be drastically altered, with virtually no consultation or input by the Ontario Professional Fire Fighters Association. Our

arbitration process, which has worked for so many years, will be destroyed. Our collective agreements may become worthless pieces of paper in many instances, and the safety of not only firefighters, but the citizens of Ontario, will be placed in great jeopardy.

In a conversation on December 14, 1995, the Solicitor General, Mr Runciman, agreed with me that we had not been thoroughly consulted, as was promised by the Premier and other members of the current government. Could it be possible that the individuals who made these statements prior to the election did so just to procure our support? If this is true, can the firefighters of Ontario not perceive this to be deceit on behalf of the new MPPs and the Premier himself? Was this just a political ploy to get oneself elected?

On behalf of all firefighters in the province of Ontario, I ask the current government to live up to its pre-election promise to us. If things are needed to be changed with regard to the Fire Departments Act, then let the firefighters have a proper consultation process. Further, let us have an equal part in effecting any necessary changes. Let us see your honesty and your credibility come forward.

I thank you for your time, and I thank you for the extension, and I also thank the people before me who allowed me to speak.

The Chair: The meeting's adjourned until tomorrow at 9 o'clock.

The subcommittee adjourned at 1740.

EVIDENCE SUBCOMMITTEE
STANDING COMMITTEE ON GENERAL GOVERNMENT

Chair / Président: Maves, Bart (Niagara Falls PC)
Vice-Chair / Vice-Président: Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Flaherty, Jim (Durham Centre / -Centre PC)
Grandmaître, Bernard (Ottawa East / -Est L)
*Hardeman, Ernie (Oxford PC)
*Maves, Bart (Niagara Falls PC)
*Pupatello, Sandra (Windsor-Sandwich L)
*Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Wood, Len (Cochrane North / -Nord ND)
*Young, Terence H. (Halton Centre / -Centre PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:
Cooke, David S. (Windsor-Riverside ND) for Mr Wood
Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mr Grandmaître
Phillips, Gerry (Scarborough-Agincourt L) for Mrs Pupatello
Klees, Frank (York-Mackenzie PC) for Mr Flaherty

Also taking part / Autre participants et participantes:
Crozier, Bruce (Essex South / -Sud L)
Curling, Alvin (Scarborough North / -Nord L)
Duncan, Dwight (Windsor-Walkerville L)
Silipo, Tony (Dovercourt ND)

Clerk / Greffière: Mellor, Lynn

Staff / Personnel: Richmond, Jerry, research officer, Legislative Research Service

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

Evidence subcommittee

Tuesday 9 January 1996

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Mardi 9 janvier 1996

The subcommittee met at 0901 in the Radisson Hotel, London.

SAVINGS AND RESTRUCTURING ACT, 1995
LOI DE 1995 SUR LES ÉCONOMIES ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficience du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

The Chair (Mr Bart Maves): Good morning, ladies and gentlemen. Good morning, committee members, and welcome to London. Before we begin proceedings this morning, we have a motion put forward by Mr Silipo.

Mr Tony Silipo (Dovercourt): Thank you, Mr Chair, and good morning. I've passed out copies of this motion. It's similar to the one my colleague Mr Cooke put before the committee yesterday, and I'm happy to move it again. I'll read it for the benefit of those people here who don't have it:

"Whereas there has been overwhelming public interest in Bill 26 and 60 groups and individuals have requested to appear before the standing committee on general government in London, which far exceeds the 15 spaces available today for hearings;

"I move that this committee recommends to the government House leader that when the House returns on January 29, 1996, the order with respect to Bill 26 be amended and the bill be returned to the standing committee on general government so that further public hearings can be arranged for the community of London;

"Further, that this committee recommends that the three House leaders meet as soon as possible to discuss this issue."

The Chair: Mr Silipo, would you like to speak to your motion?

Mr Silipo: Yes. I think the points can be made fairly briefly.

We're seeing here today, as we did yesterday and indeed as I understand we're likely to see in the balance of these hearings, a situation in which we have far, far more groups and individuals that have requested to speak to the committee than the time in each individual location allows.

Given the importance of this bill which we all know, and as we are hearing from more and more people we are discovering more and more aspects of this bill, we think it is incumbent upon all of us and certainly upon the government to agree to further public hearings.

We have couched this motion in a way that does not infringe upon the order the Legislature has adopted, which is to return the bill to the Legislature on January 29. But if the government is serious about consultation, as we are hearing more and more that it is, we believe it is incumbent upon it to show its goodwill by indicating as soon as possible—and certainly passage of this motion would be one very good way to do so—its willingness to extend the hearings to allow far more people who want to speak to come forward and express their opinions on a piece of legislation that is going to change the face of this province.

We're putting this motion with that intent before you.

Mr Rob Sampson (Mississauga West): This is not the first time we've seen this particular motion, but our view is the same as it's been in all the previous presentations of this motion, that we believe there is sufficient time for the public to make representations.

We've asked that those who do not have the opportunity to make presentations to the committee in person do so via written submissions. I think we saw this motion during the first day of our Toronto hearings. At the end of that week, in spite of the fact that a number of individuals did not get to speak to the committee in person, I think we received one written presentation.

I believe our position has not changed, and that's the statement made by Mrs McLeod in Thunder Bay on December 8, saying, "We now have a substantial amount of time to look at this bill." That's the current position of this government. We're prepared to see written submissions, and I encourage those who did not get a chance to be on this particular day of hearings to send their written submissions to the clerk. We'll review them, as we are reviewing the written submissions that get read to us by deputants who come before us. I believe there's sufficient time here and we should proceed with the hearings so we can meet and talk to those who have taken the time to come out today to talk to us.

Mr Gerry Phillips (Scarborough-Agincourt): Everybody should recognize that we are going to hear from less than a third of the groups and individuals who want to speak on the bill. People will find out today just how serious the bill is. What could be clearer on the need to support this motion than the fact that the city of London, represented by the mayor, until noon yesterday,

when we were able to get a motion passed by this committee to extend the hearings by half an hour to hear from the city of London, was not going to be heard? The city of London was not going to be heard from until we got a special motion passed by this committee to extend it by half an hour. I think the reason we did was because the government members would have been too embarrassed to come here today and not hear from the city of London.

We're supporting this motion. As I say, it is timely. Here we are in the city of London, and until less than 24 hours ago London council was not going to be heard by this committee. This is happening in city after city across the province. The bill, as I think people now understand, is 210 pages along, it amends 43 acts, it has huge implications for the people of Ontario, and we're only going to listen to one third of the people who want to be heard from and we're not hearing from some very important groups. As I say, it was only yesterday that we got special consideration to hear from the city of London. It's a disgrace that we're not allowing ourselves sufficient time.

What we're talking about here is a very modest extension of time to hear from groups across the province, so we of course will be supporting the motion.

The Chair: I'd like to put the motion now.

Mr Silipo: A recorded vote, Mr Chair.

The Chair: A recorded vote. The official members voting today are Mr Silipo, Mr Gerretsen, Mr Phillips, Mr Tascona, Mr Sampson, Mr Hardeman and Mr Young.

All those in favour of the motion?

Ayes

Gerretsen, Phillips, Silipo.

The Chair: All those against?

Nays

Hardeman, Sampson, Tascona, Young.

Mr David S. Cooke (Windsor-Riverside): Mr Chair, I'm not overly sensitive about this, but just so members know, Mr Wood, Mr Crozier and I are not members of the committee today. I certainly would like you to know that if I could vote, I would be voting for the motion.

The Chair: All members of the Legislature are able to come to the hearings. Only certain members are able to vote.

I declare the motion lost, by the way.

0910

LONDON CHAMBER OF COMMERCE

The Chair: Will representatives from the London Chamber of Commerce please come forward. Good morning, sir, and welcome to the standing committee on general government. You have 30 minutes this morning to make your presentation. You may use that time as you see fit. You may wish to decide to leave some time at the end of your presentation for questions from the three caucuses. I'd appreciate it if for the benefit of committee members and Hansard you'd read your name and organization into the record before you begin.

Mr David Town: Good morning. My name is David Town, and I'm chair of the board of the London Chamber of Commerce. The chamber of commerce is London's largest and most representative business organization, with over 1,000 corporate members employing nearly 50,000 people in London and region. We are pleased to have this opportunity to offer the committee our comments regarding Bill 26.

As part of a commission to be the voice of business committed to economic prosperity and quality of life in London, the chamber is actively involved in public debate on the issues facing municipal government here in London. In line with that interest, we have reserved most of our comments today for provisions of the bill dealing with municipal government under schedule M. I will also make some brief observations regarding the bill's interest arbitration provisions under schedule Q.

There has been some public debate over the nature and extent of regulatory powers provided to the province under Bill 26. With regard to schedule M, we see those powers as appropriate, as Ontario and its municipalities seek to adjust to the new fiscal reality. However, some provisions maintained with the Ontario government do run counter to what we see as the government's stated intent of empowering municipalities to better manage their own affairs. Thus they might be more appropriately regarded as transitional measures. A possible resolution to the situation might be to make the powers like those regarding municipal restructuring temporary.

Under schedule M, the chamber of commerce supports the proposed amendments to the Municipal Act. We have in the past spoken in favour of efforts to disentangle the financial and legislative responsibilities of provincial and municipal governments. While work remains to be done in this area, we believe that the measures in schedule M go some distance towards more appropriately aligning decision-making with revenue-raising responsibilities. Further, the move to a block grant to municipalities will allow for spending priorities to be determined locally.

Under user fees, the chamber is on record as supporting the greater use of user fees in the funding of municipal services. We believe that such revenues must be used to replace existing general revenues dedicated to the service concerned, not to supplement them. This is consistent with our view that municipalities must revisit their existing roster of services and prioritize among them. Otherwise, the user fee and licensing provisions of Bill 26 will simply amount to a tax increase.

Some suggest that user fees for municipal services unnecessarily penalize lower-income users of these services. We do not believe that a modest entry fee for the use of a municipal facility like a swimming pool or an ice rink is a prohibitive expense. Maintaining such services free for all is an expensive way of helping those truly in need.

Finally, the issue of income redistribution is more appropriately the concern of provincial and federal governments.

As far as direct taxation is concerned, we do have some reservations regarding the imposition of direct taxes such as local sales or gasoline taxes. It is unclear to us whether the bill in its present form will allow such

revenue-raising measures, but we believe the existing mix of property taxes, business occupancy taxes, user and licensing fees, as well as development charges, is sufficient. In our view, more sources of revenue only increase the likelihood of future tax increases. Imposing direct taxes would also move municipalities into taxation territory currently occupied by senior governments. The difficulties Canada has experienced in attempting to develop a common administrative framework for provincial and federal sales taxes warn us of the problems such duplicate taxation can create.

Under privatization and contracting, we are strong advocates of greater private sector involvement in the provision of municipal services. This might include privatization, but it might also simply mean the establishment of a competitive environment in which both municipal departments and private providers can bid on public service provision, with service standards determined by municipal council. We support the provisions of Bill 26 that facilitate such arrangements.

Under schedule Q, the provisions governing the criteria to be used by arbitrators defining ability to pay do not provide sufficient direction to arbitrators. Historically, arbitrators in the public sector have found that ability-to-pay arguments are not applicable because any increase in wages awarded can be offset by tax increases. Consequently, we suggest that criterion 1 under schedule Q be amended to incorporate "the employer's ability to pay in light of its fiscal situation and without any increase in taxes."

Further, we believe the criterion calling arbitrators to compare wage rates with the broader public sector should be amended to include comparison with the private sector. As noted above, past public sector wage settlements have not always taken the employer's ability to pay, without raising taxes, into consideration. Consequently, we believe that private sector wage rates would make a more useful comparison.

To summarize our recommendations:

(1) We suggest considering the possibility of attaching time limitations to some measures, particularly new regulatory powers; for example, regulatory powers granted the Minister of Municipal Affairs and Housing under schedule M.

(2) We suggest amending the interest arbitration criterion 1 to include "ability to pay in light of its fiscal situation and without increasing taxation."

(3) Amend interest arbitration criterion 2 to include "the extent to which services may have to be reduced if current funding levels and taxation levels are not increased."

(4) Amend interest arbitration criterion 4 to include "comparable employees in the broader public sector and in the private sector."

The changes in (2), (3) and (4) have been underlined in the submission we've proposed.

That concludes the formal remarks. I'm prepared to field any questions at this time.

The Chair: Thank you very much, Mr Town. Just before we begin to go to questions from the caucuses, I'd like to let folks who may be taking these proceedings in for the first time know that the way we handle this is 30 minutes per presenter; the remaining time after the presentation is divided up equally among the caucuses for questions.

I often have the unhappy duty of cutting both presenters and members of each party off because they've come to the time limit. This is necessary so that everyone can get their fair shake of 30 minutes and that we might stay on schedule.

After having made that clear, I will now start this morning with the opposition. We all have six minutes.

Mr Phillips: I thank the chamber for its presentation. The area I'd like to get the chamber's input in is the direct tax area. It's very clear to us that many municipalities are interpreting Bill 26 to allow them to impose a municipal gas tax, a municipal sales tax and perhaps a municipal income tax, but certainly a municipal gas tax and a municipal sales tax.

We've now had the mayor of Mississauga say they've had a legal opinion that says they can do that. The chair of Metro Toronto is saying that. Now I see in the London Free Press this morning that London city council is looking forward to the passage of this bill because it permits the imposition of direct taxes. Even the legal opinion we've had from the government is ambivalent on it.

How does the chamber feel about the possibility that across Ontario, as you head from community to community, there might be a municipal sales tax and in another community a municipal gas tax? Does the chamber have any strong opinions on this particular matter?

Mr Town: As our remarks point out, there are some inherent difficulties involved with the mixing of taxes that are already imposed at various different levels of government, for example, the difficulties we have now with the direct sales tax; that's the federal GST plus the provincial sales tax. The collection of these taxes and the differentiation between these taxes could possibly present some problems. We have some concerns in terms of the implementation of this.

Having said that, we need to realize that the fiscal framework has changed dramatically in the last 10 to 15 years and we need to come up with some creative solutions and we have to do some changes. If the municipalities act in a responsible manner and can work out and negotiate appropriate measures by which they can move towards these taxes—we're in favour of the idea of user fees. If you look at a gasoline tax, while it potentially has some problems with respect to the collection issues and so on, it also means that the people who are using roads are paying for roads. It would be our hope and desire to see that those collected as a gasoline tax, for example, would go directly to roads and not into the general coffers.

I think this bill presents some concerns which require that there needs to be an ongoing accountability by the government and that people such as the chamber of commerce and other groups need to be watching to make sure this bill is implemented with the intent that's presented.

0920

Mr Phillips: My view would be that you do not have a fundamental problem with the bill providing the potential for a municipal gas tax for income.

The other question I have is that the bill—this is under licensing powers—says that this gives the local municipality "the power to impose conditions as a requirement of obtaining, continuing to hold or renewing a licence, including conditions...requiring the payment of licence fees, which may be in the nature of a tax for the privilege conferred by the licence"—this is on page 151 of the bill—which many interpret as meaning that now a municipality, in granting a business licence, could make part of that licence fee a tax based on sales of things or revenues. By the way, later on it says that if there's any conflict between the provisions in this act and any other provision anywhere else, the provisions in this act override the other provisions. Has the chamber got an opinion on that new licensing provision?

Mr Town: Again, I think on the face of it, if used properly, this could be a provision that could be of assistance in re-establishing how municipal governments go about acquiring their financing.

Having said that, we wouldn't want to see it discourage business growth, we wouldn't want to see licensing fees that would make it more difficult to establish a new business, and we wouldn't want to see licensing fees that would become onerous or non-representative of the service they're paying to provide. For example, if you require inspectors for a particular form of business and those inspectors cost the government money, an appropriate fee that somehow represents some of those costs probably makes sense.

I think we're into a situation where, as decisions start coming forward with respect to what kinds of fees municipalities will begin to levy, it would be our hope there would be an accountability for why these fees are as high as they are, if they're high. As this bill becomes implemented, we need to look at how it is put forward, so we don't have an unqualified yes, this is a good thing. We have some reservations, but in essence, we believe that the licensing and user-fee concept is one that we support.

Mr Silipo: Does the chamber support the 30% provincial tax cut that the Tory government has promised?

Mr Town: At the moment, any specific tax cut provisions haven't been put forward by the government, so we haven't surveyed our membership and are not prepared to comment on it until there's something on the table to debate. Our first and foremost priority is for reduction of the deficit, and until I see specific proposals on the table in terms of what the government intends actually to do, we'll debate that at another time.

Mr Silipo: I'm a bit perplexed by the position the chamber takes on the issue of direct taxation. Maybe I can just put it this way: It would be my contention that what the government is doing is simply shifting its responsibility to the municipal sector. It's saying that it wants to cut provincial taxes on the one hand; it is at the same time cutting transfers to municipalities and then saying to municipalities, "You now have the power, through this bill, to raise a whole variety of taxes." There are no caveats on that, so municipalities could in fact use those taxes, both direct taxes and user fees, to replace, perhaps even add to, but let's say for the sake of argument to replace, the shortfall in provincial funding or the cuts in provincial funding. Do you not see an inconsistency in that?

Mr Town: No, I don't. I guess what we're talking about here is that we're advocating a different way of raising revenues. We were quite specific in our remarks to say that these were not to be add-on and new fees in addition to the existing ones, that they were to change the way municipalities raise their funding. A specific example would be that currently in the city of London there was a removal from their budgetary process. The charge for water was taken out of the general city budget and has now been put into that it's self-supporting by the fees that are paid by water users. What happened was that there was a 4% increase in the cost of water use and $18 million came out of the municipal budget. You can be quite sure that we're watching the municipal budget to make sure that the $18 million that was taken out comes back in the form of a tax credit to the local taxpayer. They can't just sort of absorb the $18 million and say, "Gee, we got $18 million more."

Mr Silipo: But the basic point I think you're making is that the chamber believes that people should pay for the services they use, and that's why you think that the shift in taxes makes sense.

Mr Town: Yes. Again, it's not meant to be an add-on, and that's why there's going to have to be a—

Mr Silipo: How do we deal with the issue of ability to pay? That becomes even more of a problem when you're simply attaching the cost of services directly and billing those directly, if you will, to the individual user. How do you distinguish between, then, the ability of someone to pay for all of those taxes—someone who has a family income of $20,000 versus someone who has a family income of $100,000?

Mr Town: It depends on how many user fees, how high the user fees are and where you're putting them in. In terms of income redistribution, it would seem to me that's where you get into the idea of different tax rates and different income tax rates at different levels of income, both at the federal and provincial levels, and that's how you follow the income redistribution. The reality is that in the half-hour I take to make the presentation we're going to spend half a million dollars on interest on a debt that's strangling this province.

Mr Silipo: I would just make the observation for you that even in the proposed provincial tax cut, in the way in which we're seeing it come forward through the Common Sense Revolution document, those who would benefit the most from that cut would not be the average Ontarians, but would be upper-income Ontarians. The provincial tax cut, which, if I follow your argument, would be the way in which this kind of imbalance would be offset, not only does not offset it but in fact makes it worse. It makes it even harder for average and lower-income Ontarians to be able to afford the kind of user fees and the kind of direct taxation that the chamber is supporting. How does that—

Mr Town: We're not dealing with the tax cut today and we're not advocating supporting the—

Mr John Gerretsen (Kingston and The Islands): It's tied into it. You can't separate it.

Mr Town: We're not dealing with the provincial tax cuts at the moment in terms of dealing with a specific recommendation.

Mr Silipo: I guess, then, we'll just disagree on that point because we believe they're fundamentally linked and you can't sort one out from the other.

Mr Cooke: Let me get very specific so that I understand the chamber's position. You think it's appropriate for the provincial government to cut tens and tens of millions of dollars out of road grants to municipalities, and that to replace those dollars, it would be okay to impose a gas tax at the local level which has no sensitivity to income at all. Quite frankly, given this region, which I know relatively well because of a few things I was involved in down in this community, you would have a huge difference in the ability to replace those road grants from Middlesex county versus the city of London. But you think it would be okay to replace those road grants that the province is cutting out of progressive taxation with a gasoline tax at the local level.

Mr Town: We're saying that this bill is granting municipalities the powers to make certain choices according to the priorities which they see, and as the municipalities begin to make those—

Mr Cooke: No, specifically looking at user fees.

The Chair: Mr Cooke, I'm sorry, I have to make my first interruption of the morning. We've gone beyond your time and we're now into the government's time.

0930

Mr Joseph N. Tascona (Simcoe Centre): Thank you for your presentation. I want to deal with a couple of aspects of your presentation, particularly schedule Q. The municipal chambers and municipalities throughout these hearings have been advocating the strengthening of the mandatory criteria for interest arbitration, and in particular your criteria 1 and 2, dealing with the ability to pay and giving arbitrators the powers to impose tax increases, which would indirectly result in perhaps discussions about reducing services etc.

In terms of the fiscal reality which you're supporting to come into the public sector arbitration process, you did make a comment consequently in talking about bringing private sector wage settlements as one of the criteria; I think it's criterion number 4. You state that you believe that private sector wage rates would make a more useful comparison when dealing with the comparisons of agreements. Has it been your experience that the public sector has received higher wage increases than the private sector and that's why you want to bring some reality into the situation?

Mr Town: I don't have any specific information in terms of whether they have or haven't been, so I guess I'm reluctant to answer the question without knowing that there has been a higher level within the public sector. I guess what we're advocating here is to not just consider one sector alone. The private sector has been swiftly moving towards dealing with economic realities as they occur in the private sector, and in the public sector the mentality has tended to be that the taxpayer will just make up the difference if an arbitrator awards a settlement that requires an increase in taxes. That's got to stop. The taxpayers are not in a position any more where they want to be paying additional taxes simply because of an arbitration settlement.

Mr Tascona: Do you think the government is moving too quickly on trying to restructure and move through this bill?

Mr Town: I think that we are dealing with a difficult fiscal reality and we need to move swiftly to get things back into place. This is a complicated bill and I'm glad that we're taking the time now to move with it. Is it too quickly? I would hope that the committee will take a serious look at listening to all of the submissions, both here at the hearings and to continue to encourage written submissions for those people who couldn't attend the hearings, and to take the necessary time to review all of those submissions and give them proper and due course of review.

Mr Ernie Hardeman (Oxford): Good morning, Mr Town. I'd like to go to the part of the schedule you spoke to, sunsetting the minister's powers on the restructuring process. There has been concern expressed on that part of the restructuring where the minister can implement the restructuring upon the completion of a local initiative. You suggested a sunsetting clause. That would indicate to me—and I'd just like to clarify that—that you do see a need for some very quick action and some type of process that will see results as opposed to the past practice of a lot of studying and a lot of soul-searching but no end change. So you see a need to get some immediate action in this, and that's why you're suggesting that the minister's power should stay there but be sunsetted, and—I guess if I could just go on with it—if it's going to be sunsetted, if your suggestion was taken into account and it was sunsetted, why would you deem that necessary? If the change that is required is accomplished, why would you need to remove that process that worked?

Mr Town: I guess the long-term intent, as we understand it, is that the municipalities should be gaining more powers, and again I think we're talking about powers over the ability to earn the revenues for those things that they're responsible for implementing. In the shorter run, there's a perfect example in terms of the annexation situation that happened in London, where London was given a year to negotiate its own settlement with the local municipalities and was unable to do that, so the province came in and fixed the annexation deal. That was a necessary process in order that there would be some sort of end to the negotiations and some sort of idea that when this was all finished that somebody was going to make a decision on this.

So in the short term we see that the province should maintain some of those powers but, having said that, why would the province need the powers in the longer term? I think that's a question that needs to be addressed. Does it need a specific sunset clause, or does it need to be readdressed in three years—five years—what's the timetable? I don't have the answers to those questions other than, if the intent is to give those powers to the municipalities, I think we should be taking a look at a long-term strategy to do just that.

The Chair: Thank you very much. Sorry, we've come to the end of the time for government questions. I'd like

to thank you, Mr Town, for coming forward and making your presentation to the committee today.

Mr Town: Thank you.

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION, LOCAL 914
SARNIA AND DISTRICT LABOUR COUNCIL

The Chair: Would members from CEP Local 914 and Sarnia and District Labour Council please come forward. Good morning, gentlemen. Welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may want to leave some time at the end of your presentation for questions. I would appreciate, for the benefit of Hansard and committee members, if you would read your names and organizations into the record before you begin.

Mr Ken Glassco: We probably won't take that long. My name is Ken Glassco and I'm president of Local 914 of the Communications, Energy and Paperworkers Union in Sarnia, representing about 1,300 members at plants including Bayer Rubber, BASF, Cabot Carbon, the Sarnia Union Gas workers, Novacor Chemicals and some others. In addition to that, I'm also president of the Sarnia and District Labour Council, representing approximately 5,500 various unions within the Sarnia-Lambton community. I will leave my friend here to introduce himself. It's going to be a two-part presentation; mine will be very short.

I really had a lot of difficulty trying to prepare for this, I guess, especially on the very short notice. It's really very difficult when you look at how large this bill is to try to get your hands around it. At the labour council we had a very difficult time doing that, and I've had a very difficult time doing it as president of my local.

I have been involved for 16 or 18 years and I've done this on various occasions before, but I've always been able to get to some of the particular issues that you have, that we might have, differences of opinion, whether it's dealing with workers' compensation changes or health and safety act changes. Over the years we've been able to look at that in a very definitive—and we can say, "Fine, I agree with that," or "I disagree with that." In this particular case, the bill is so large to us and encompasses so much, and there seems to be so much ambiguity over it. Every day I read, hear or listen on the radio to some other viewpoint about what this might mean to somebody else and I think, listening to the chamber just before us, you get another interpretation of that. So it's been very difficult. I attempted to sit down yesterday and try to do something like that and I just couldn't really do it. Then my day dissolved into union business, whatever, and I really didn't get a chance. I feel neglect in that, but I also knew I had a responsibility to come down here and convey our concerns.

The membership of my local and the labour council are very concerned over the impact of this bill because of its enormity, because it seems to cover everything that happens within the province; then, of course, its impact within our local community, which seems to be that it's just passing the buck down to somebody else. We really get very concerned that the provincial government is going to make all these changes, make all these alterations, do all these things. We've all heard the promises that were made by everybody, regardless of what party you were in the last election. We've all heard those, and now we're very worried that everything's just going to be transferred down to some other level of government, for somebody to get at us from another angle or from another viewpoint. Changing and altering a lot of these duties and responsibilities down to municipal government and local governments, whatever, seems to us to be a very poor way of attacking some of the problems we have within the province of Ontario.

With that, I would like to turn it over to my colleague, who will introduce himself and make a more formalized presentation to you.

0940

Mr Steve Nield: Thanks, Ken. Maybe not so formalized because I was asked to this presentation after Ken got word he was going to be doing it, so I was faced with some of the similar problems Ken had, as far as putting an exact finger on all the problems that are raised with what's contained in this particular bill.

There are some specific points that I do intend to address, though, that are going to impact directly on us. My name is Steve Nield. I'm the president of Local 123 of the Ontario Public Service Employees Union in Sarnia, also affiliated to the Sarnia and District Labour Council. I also have the role of chair of the London and District Area Council, a body that also is part of the Ontario Public Service Employees Union, which covers the majority of locals in the southwestern region of Ontario, identified by us as region 1. That takes in roughly about 12,000 workers, those employed directly by the provincial government.

As the representative of approximately 12,000 members of the Ontario Public Service Employees Union located in southwestern Ontario, I welcome the opportunity to bring our concerns about Bill 26.

Although our union has presented a full brief before this committee, I would like to re-emphasize some of the points in the brief that cause great concern to our members. What is most appalling about this bill is the fact that this government attempted to ram through this legislation with its sweeping powers without any public debate or consultation.

It smacked the democratic rights of the public in the face and reeks of an attempt to gain dictatorship powers. This bill not only affects our members; it will also impact on every worker, disabled person, the poor, seniors and children while catering to the rich and powerful. This bill is an attempt to address the deficit and fund a tax cut by shifting responsibility to the municipalities by way of reduced transfer payments that will no doubt result in increased property taxes and user fees.

I will address two of the many concerns our union has with this proposed legislation. Firstly, the proposed changes in schedule Q that apply arbitration restrictions under the Fire Departments Act, the Police Services Act, the Hospital Labour Disputes Arbitration Act, the Public Service Act and the School Boards and Teachers Collective Negotiations Act.

These proposed changes will create an unfair environment that will restrict arbitrators from making decisions

that are fair and just because they would be required to consider economic issues and the employer's ability to pay, which will result in an unfair advantage to the employer in a process that is supposed to be fair and neutral. This will greatly reduce our chances of gaining resolution to grieved issues, which will result in a dramatic increase in labour unrest.

The second and most important issue to our members is the proposed changes to the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act, 1994. What these changes propose to do is quite obvious; that is, to steal our members' money. This money is deferred wages that our members will rely on for income, and it has become increasingly more important in the face of government promises to cut thousands of public service jobs.

I can't begin to describe the level of anxiety, concern and fear that has been created by this aspect of Bill 26. Every day I hear from members, like health and safety officers, employment standards officers, environmental officers, clerical support workers, park wardens, and the list goes on. These people are concerned about their futures. They thought that they had a plan, but now they are not sure.

The government says its agenda is to reduce the deficit with a commonsense approach. It doesn't make sense to achieve that goal by laying off and reducing pensions that will result in lost revenue.

In conclusion, this bill should be withdrawn and introduced individually with full public consultation and debate.

The Chair: We have seven minutes per caucus for questions. We'll start with the members of the third party.

Mr Cooke: I just have a couple of questions. One I want to just touch on. I think it flows from the previous presentation that we had from the chamber here in London, but I know you're from Sarnia-Lambton. The proposal in this legislation that would give municipalities the ability to raise revenue through direct taxes: Specifically, I want to focus on gas tax because, if memory serves me correctly, gas tax is a fairly important issue down in the Sarnia area.

One of the concerns I would have is the differing ability of municipalities to take advantage of some of these new taxes, either because of their wealth or lack of wealth or because of where they're geographically located in the province. Do you think there would be any possibility that Sarnia would be able to institute a municipal gas tax, raise the gas price in Sarnia? And based on what happened a couple of years ago with cross-border shopping and how people went across the border to access cheap American gas, what do you think the impact would be of a significant increase in the gas tax because municipalities started instituting a gas tax at the local level to replace lost revenue from the province?

Mr Glassco: I'll try that. It really would be devastating, I think, because one of the largest impacts they had in the Sarnia area was cross-border shopping. With Port Huron, which is 60 miles north of Detroit, right across the bridge like that, they geared up their whole economy over there and their whole shopping district based on cross-border shopping, whether it was the people coming down from London, which is one hour away, or everybody in the Sarnia area. Of course what happens is that people heading over there for whatever reason always fill up their gas tanks when they're over there. Even now, with the difference in the exchange or whatever, you still talk to lots of people who are going over there and filling up their tanks and everything else they can.

It would really be devastating for our community because we have three, I think it is, different refineries in town, being Suncor, Shell and Imperial Oil, and our gas prices are not that low now even though we're one of the major producers or centres for producing gasoline. Their marketing structures, whatever, usually I think start off in Toronto and then the prices go up when you leave there. So even our prices in Sarnia are usually higher than they are in some of the outlying areas. It would really be devastating for our community and our local corner gas stations or whatever to have anything like that.

And I don't know how they would ever handle it, in addition to that. Sarnia is a relatively small city compared to a lot of other ones within the province. We have a village within the confines of the city of Sarnia, and it is still a village, the village of Point Edward. It is totally enclosed by the city of Sarnia. Reading through the information that I had, just getting away from the gas tax a bit, from what I understand, it could be the right of the province to tell communities like that, "You will now become one." That was the way I was understanding it.

Mr Cooke: Yes.

Mr Glassco: That would be one of the largest mini-wars I think we would ever have within the province, if the village of Point Edward was ever told, "You are now going to become"—

Mr Cooke: Given the fact that it took about 23 years of negotiations to solve the Sarnia-Clearwater situation, I can only imagine what the reaction would be in your area.

Mr Glassco: Oh, yes.

Mr Cooke: Let me just ask very briefly a question on the public sector pension question. How do you think your members felt when this very question dealing with the public sector pensions was before the courts—and we know that a few weeks ago the courts ruled in favour of the workers—but at exactly the same time a piece of legislation was in the Legislature saying, "We don't give a damn what the courts say; we're going to overrule whatever decision the courts come up with unless it supports the government's position"? What kind of respect does that engender in your members for the democratic and legal process in Ontario?

Mr Nield: Slim to none. I think the reaction of our members is best described as anger and frustration. There are a number of people who are approaching a period where they will be eligible for their pension, and now they're facing the prospect of having it reduced, depending on their age, by possibly 50% if they're 55 years old, or 25% if they're 60 years old, and having to wait till they're 65 to collect an unreduced pension.

A lot of people have planned for the future based on that level of income that they anticipate getting when they achieve the current 80 factor, or at least an unreduced pension. So the impact of this proposal is

devastating. People are beside themselves not knowing what to do, and that has resulted in a lot of people approaching me over the last week or so. I'm being bombarded by our members who are in a position to be eligible for their pension. In light of the fact that the government is proposing massive cutbacks in the public service, a lot of them were considering early retirement, accessing their pension now rather than facing the prospect of layoff. All that changes now. If this happens to be passed, it's going to have a very direct and devastating impact on people's livelihood.

0950

Mr Cooke: I think it's important for people to realize this matter was before the courts, and the legislation said, "We don't care what the courts say; we're going to overrule the court decision by legislation," at the very same time the matter was before the courts.

The Chair: Thirty seconds.

Mr Silipo: Very quickly then, Mr Chair, following up on this question of the arbitration—sorry, that wasn't raised, but I just wanted to raise that. What do you think? Is there any difference at the end of the day, if the government is going to impose these conditions on arbitrators, between that and simply doing wage controls by the back door?

Mr Nield: Do I think there's any difference? Absolutely none. No, this is their way of shifting the responsibility to another party to achieve their goals, and I think that's what's going to end up happening. I think it shifted an advantage to the employers to be able to manipulate their bottom lines to show that they may not be in a position to be able to pay in light of a fair and just decision and, as a result, that will have impact on what would be considered fair and just settlements.

The Chair: We'll move to the government side. Welcome, Mrs Boyd, to the committee this morning. Mr Tascona.

Mr Tascona: Looking at schedule Q, the two themes that you run through here, you don't want arbitrators to consider economic issues and ability to pay, and you feel the mandatory criterion will not make them independent.

We're in a situation where fiscal reality is this: We have a debt of over $100 billion and we have deficit budgeting. We've got less money coming in from the federal Liberals, we've got less money coming in for municipalities and hospitals, because we're just in that situation, and the public's been taxed to the hilt. We're looking at a situation where we're trying to bring some fiscal reality into the situation for arbitrators.

You also make the comment about the independence of the arbitrators. Well, judges have to look at legislation and they have to interpret. No one's ever said that judges are not being independent and fair and neutral in interpreting legislation, because that's what they're going to have to do under schedule Q.

But the question I want to put to you, and we've been talking to unions throughout this process, is, why are they not focusing on such things as productivity bargaining where they could look at saving costs, at more efficient operations, and try to save the jobs for their membership rather than focusing on wage increases, to try to be more fair to the public and the fiscal situation? Why are you focusing on wage increases?

Mr Nield: It's a bit unfair to say that's all we're focusing in on. This legislation will provide restrictions in the event that we get into a position where we can negotiate for wage increases, but I think if you look in the recent past, there haven't been any wage increases, certainly not in the public sector. We've been under a freeze now for the last three years, coupled with the fact that we've been giving money back at a rate of 2% or 3% as a result of the social contract. So wage increases are not a major concern for us.

Mr Tascona: But your whole presentation here says: "Get rid of ability to pay. We don't want arbitrators to look at economic factors. We don't want them to look at the fiscal realities." And I'm just putting to you that this seems to be your focus. I'm looking at your brief.

Mr Nield: Well, the reality is that we want arbitrators to be able to arrive at awards and decisions based on what goes on in the normal private environment of arbitration, and you're going to limit those in the public sector in an unfair way, to provide restrictions for them where it's not happening elsewhere. So most decisions are based on case precedents.

Mr Tascona: In the private sector, isn't the ability to pay a very important factor of any business? And the private sector is hurting out there.

Mr Nield: The arbitrator is not faced with that restriction currently, right now.

Mr Tascona: They don't have interest arbitration in the private sector. It's basically freely negotiated agreements, and they're looking at a situation where employers cannot pay. But we're in the public sector, where it's said, "Well, as for the ability to pay, you can just tax people." That's what we're trying to move away from. We're trying to say: Look at the fiscal realities. Look at the private sector. Look at what the debt situation is out there.

Mr Nield: I'm not aware of any arbitrators' decisions in the private sector that are based on the ability of the employer to pay.

Mr Tascona: I am.

Mr Cooke: Table that one as well.

Mr Nield: If I could just say one other thing, if you're so concerned about the deficit and paying it down and the interest—

Mr Tascona: That's just common sense, which you guys should know.

Mr Nield: If you're so concerned about the deficit and paying down the interest payments, then tell me why this government has got money borrowed at 10% interest when anybody else in the general public can borrow it at around 7%. Is that being fiscally responsible? I don't think so.

Mr Tascona: I am not aware of that situation. Maybe you could table that with us. We'd like to see that if those are the facts you've got. We're certainly interested if that's the situation.

Mr Glassco: Could I make a comment on that? There is a difference between the public and private sectors. In my dealings with arbitrators, it has never, ever been based on the fact of whether the company had the money to not lay off this person or to terminate this person. It wasn't based on that; it would have been based on the collective agreement. They wouldn't enforce that.

I don't know, out of all the arbitrators that I've dealt with—and there are some very good ones—usually they are just legal minds. Most are professors of law or lawyers, I guess, whatever. That's who they really are. As a union person dealing with the companies, they get so nervous and apprehensive dealing with these arbitrators because you never know where they are going to come from, okay? When you go to an arbitrator, it's somebody outside the realm of the workplace and the unions there. Nobody really wants to go that route. It's kind of a last resort.

Mr Tascona: But your point's well taken. That's why you have to have some criteria for them: so everybody knows where they're going to go from. That's why we're putting in the criterion.

Mr Glassco: But they're not financial wizards, they're not economists. Let's use a hospital as an example. They don't know hospitals. I disagree with what you were saying there before, that these public service people here only want raises and all that kind of stuff. In the past two years, in our labour council, the public sector has been the most active, and one of the reasons it has been the most active is because of all these changes. The one I have to refer to is the hospitals and their operating plans, their HOPs, I think they call them. Those people have worked very diligently over the years, especially in the Sarnia area, with their groups on putting together their hospital operating plan.

They weren't working on raises; they weren't trying to get more money or whatever. They ended up working out and defining their hospital operating plans together that were submitted to the government. So I don't agree that that's all they are after. They were looking to their security, their livelihood. It's their job, and is that place going to be there one, two, five, 10 years down the road?

The Chair: I'm sorry, but we have come to the end of your time. The members of the opposition.

Mr Gerretsen: Let's deal with this arbitration issue for just a moment. I come from the municipal field. Let's just call a spade a spade and see where it's driven from. There are an awful lot of people within the municipal sector and within government itself who basically feel that a lot of public employees, such as firefighters, policemen etc, are getting paid too much. That's where it's driven from. Let's just call it the way it is.

The whole notion here is that by imposing restrictions on arbitrators, somehow they will be brought into line—that's where it all comes from—rather than allowing these people to do the job they've been hired to do in particular cases and limiting the scope of the things they can look at.

Any good arbitrator will look at all the issues that are out there: always have and always will. As you're saying, if one side is able to present a better case than the other side—because usually it's been my experience, and this is speaking as a former mayor, that the fire associations and police associations are much better prepared in a lot of situations in arbitration than the municipal side was. So let them deal with the problems the way they ought to, by making equally good presentations etc, but not by limiting the scope of arbitration.

Just very quickly, and this deals with the restructuring, you're aware of the fact, and this comes back to your point, of basically what this bill does as far as restructuring is concerned. In the past, for any two municipalities that could work things out and somehow come up with an annexation and amalgamation scheme, there was no problem. The problem always arises when people can't agree. What this bill basically does is allow for a restructuring to take place without any referendum. Once the government sets up a commission, the commission's decision is final: no appeal to anybody, including the minister. How would you feel about that, particularly in light of your Sarnia and Point Edward situation?

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Mr Glassco: One of the longest-standing open debates we had within the Sarnia area was that Sarnia was completely encompassed—or mostly, three quarters of it—by Sarnia township, it was called then, and then it became the town of Clearwater, I guess it was. Within our community—we're very small and everybody knows each other—it became one of the hottest political issues among everybody. They still refer to it as Clearwater.

There are still some signs around, whatever, and people still do not really believe they live in the city of Sarnia. Even within our city council meetings and all that, the topic still comes up, because there was a taxation problem of the differences in taxes between the town of Clearwater and the city of Sarnia and how, sooner or later, they were going to be the same. It's still a very hot issue within our community.

Talking about the village, it would really be catastrophic. There's a certain pride of people who live in Point Edward. "I'm from the Point" is the way it's referred to. Again, it would be like declaring open war within Lambton county if and when that ever happens. They've stayed away from it all the time.

Mr Phillips: I had a question, if I could, on your pension thing. You should get a copy of this document prepared by the legislative counsel here. It spells out the process we've gone through, or the government's going through, on the pensions. Let's be clear. What the government is intending to do is to take $250 million out of your pension.

Mr Nield: Our estimate was between $200 million and $400 million.

Mr Phillips: Yes, and they tried to do it through regulation, quietly through regulation, to take the money out. The courts said, "You can't do that." You won in the courts. This is what this document goes over. It says that in December the court declared that regulation of no force and effect. So the court said the government was trying to take money they had no entitlement to.

This document goes on to say what you said, that in this huge bill is the legislative power for them to override the Pension Benefits Act, which protects all pensioners in this province from employers trying to take money from their pension fund. This document says that's the intent of the bill. This appears, on the face of things, to accomplish what the regulation was held by the Divisional Court to be incapable of doing. In other words, the bill overrides your legal entitlement.

What does your membership feel about an act of a government that is exempting itself, itself alone, from the Pension Benefits Act to take at least $250 million of entitlements that your members are entitled to?

Mr Nield: Their feelings are of absolute and total betrayal. This government is attempting to laden itself with dictatorship powers that enable it to do what the courts have said it can't do, which in the case of Conrad Black he was told he legally could not do, he was breaking the law by doing so. This government is attempting to pass a bill that allows it to break the law and do so legally and does not hold it accountable or liable for its actions. Our members are outraged and furious over this, and rightfully so.

Mr Phillips: Your recommendation at the bottom of the page, I think is a sound one. If the Pension Benefits Act is wrong, it should be wrong for everybody, not just for the public servants. Our view is if the government thinks the Pension Benefits Act is wrong, it should be bringing forward a Pension Benefits Act for debate, not exempting itself from the Pension Benefits Act. I wonder if you would support that approach; that is, bringing forward the Pension Benefits Act for debate rather than singling out your membership for punishment.

Mr Nield: I think that's a much fairer process. I still don't agree that they should have the right to have access to our pension money as it stands right now. That is our members' money. It's deferred wages. It's theirs; it's not the government's.

Mr Phillips: I agree with that, yes.

Mr Nield: They're trying to gain access to money that's not theirs. I don't agree with the process, period, but if they're going to do it, singling us out is completely and entirely unfair. If they were fully honest about what they're attempting to do here, then yes, it should apply equally to everybody.

The Chair: Thank you, Mr Phillips. We've come to the end of the time. I'd like to thank you gentlemen for coming forward and making your presentation today.

LONDON-MIDDLESEX TAXPAYERS' COALITION

The Chair: Next we have the London-Middlesex Taxpayers' Coalition. Good morning, gentlemen. Welcome to the standing committee on general government. You'll have 30 minutes to make your presentation and you may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd take the time at the beginning of your presentation to read your names and organization into the record for the benefit of committee members and for Hansard.

Mr Jim Montag: Good morning. I'm Jim Montag and with me is Craig Stevens. We both represent the London-Middlesex Taxpayers' Coalition. The coalition is a politically non-partisan organization committed to the prudent spending of our tax dollars entrusted to politicians at all levels of government. We are here today to offer an objective assessment of Bill 26 based on reason and logic. Our presentation will consist of a general commentary by myself and a more specific overview by Craig.

The total debt of Ontario combined is almost $150 billion. During the past 30 years we have not only squandered our money and resources but also created this horrible debt load with deficit financing. We are all responsible for this sordid state of financial affairs and therefore we must all share in the solution.

Our present government was elected with promises to cut the deficit, among other things. To this time, this government has kept its election promises, and I think this is really wonderful. This is a radical departure from previous administrations. It is our hope that this refreshing display of integrity will continue without falter, despite massive protests and confrontations from some of the groups affected. The ones most responsible for the deficit are now the biggest whiners. I repeat, we in varying degrees are all responsible and surely we should all share in the solution.

Although we do not agree entirely with Bill 26, we do believe that the proposed $2.8-billion deficit reduction is a worthwhile goal as it represents fundamental long-term savings. You will hear from many individuals and groups promoting and defending their respective self-interests, and I will now provide some brief comments about some of them in view of their anticipated criticism.

A number of union presentations will be made here today. We simply ask you to examine their real agenda. We believe that they are only protesting Bill 7, which cancelled Bill 40. They would have us believe that Bill 40 didn't drive industry out of Ontario and didn't deter new industry from starting up in Ontario. This is total nonsense. Bill 40 was the worst piece of legislation I have ever seen and its cancellation was mandatory to get Ontario back on the road to recovery.

Educators would have us believe that the quality of education will suffer if funding is cut. Clearly the evidence refutes this claim. We believe that their real objections are directed at the funding cuts and the implications of amending the School Boards and Teachers Collective Negotiations Act, which suggests a reckless disregard of the employers who happen to be taxpayers and of their ability to pay in light of their fiscal situation.

Although today's committee is not dealing with health care issues, we would like to briefly comment. The medical profession is concerned about more direct government regulations and invasion of privacy. There is an old adage: If you pay the piper, you call the tune. The government is expected to pay the total cost of our health system and therefore should certainly have the right to regulate and to investigate.

1010

Municipal public service providers are protesting. Obviously their protests centre on the arbitration aspect of Bill 26. With past arbitration awards, they were always given up to 2% more than the workers in comparable employment not subjected to arbitration. Why can they not accept what is fair? Why should they have a 2% edge? Why can they not accept the employer's ability to pay?

The reduction of conditional grants from the province has precipitated an outcry from social service recipients, with complaints of hunger, inadequate housing and hurting the poorest of the poor. Ontario's social service payments are 10% higher than the rest of Canada, in all likelihood higher than any state in the United States and indeed maybe the highest in the world. However, all that

we hear from these groups is a constant badgering for more and more; never once an expression of appreciation or gratitude. I wonder what these people would do if they had a dog that constantly bit the hand that fed it.

The ongoing issue of providing for the needy and less fortunate in our society has induced questionable conduct by churches and has led them into becoming very active political lobbyists. I seem to recall an ancient decree stipulating that governments stay out of church business and churches stay out of government. Our governments are honouring their part, but the churches are not. If they spent more time on biblical studies, they might become aware of St Paul's second letter to the Thessalonians, 3:10, "If any would not work, neither should he eat."

All of these organizations that I mentioned have their own self-interest in mind. To many, this translates into nothing other than group greed. Governments must be careful not to hurt the needy but must make every effort to stop the greedy. These groups are truly exhibiting the NIMBY syndrome: "Not in my backyard. Don't cut me: cut them. Tax the rich. Tax the corporations." I would like to know what rich. We don't have many left in Canada and they're already highly taxed.

Corporations are already overtaxed, and if any taxes are increased, they will likely leave Canada and will continue operations elsewhere. This has happened many times. Let us offer an example: Northern Telecom's closure of its manufacturing operations here in London did not stop Northern from making telephone equipment. They are carrying on in Malaysia, Mexico and elsewhere, but not here in London.

In Port Huron recently, George Munn, the assistant manager of the First Michigan National Bank, which is the closest American bank to the International Bridge, told me that two out of every three new accounts opened up there were by Canadians. Mr Munn told me that they are experiencing a surplus of depositors and money and have a shortage of first-class borrowers—all this with Canadian money.

Increase taxes? Absolutely not. That would only drive more money, rich people and manufacturing firms out of Canada. Soon we wouldn't have a tax base capable of providing even the most basic revenue for even the most basic needs. The only practical way to reduce our deficit is to reduce expenditures.

I urge you not to listen to these protesting self-interest groups. Please keep in mind that the silent majority of over 50% of the population agrees with the government. Bill 26, even with its faults, is a worthwhile step towards deficit reduction.

I would now like to introduce Craig Stevens, our next speaker. Craig is a union member and an employee of the city of London.

Mr Craig Stevens: To say the least, Bill 26 is unwieldy in terms of any one individual's or group's ability to offer a full and well-rounded assessment of its many component parts. The London-Middlesex Taxpayers' Coalition does not pretend to have the required expertise necessary to validate or predict the efficacy of the numerous new tools intended for use by the municipalities. We have analysed the individual schedules, excluding the actual acts referenced, and are pleased to announce our general overall support for Bill 26.

We fully understand why this unprecedented legislation has been introduced and at the same time understand why it is upsetting numerous individuals and groups. This fiscal equivalent of the War Measures Act does require fast-tracking in order to jump-start the locomotive of the Canadian economy and once again focus on the long-term social and economic benefits to be realized by the private production of wealth.

Before we enter into any discussion on the two schedules, it would be appropriate to state that Bill 26 will forever and indelibly alter the landscape of municipal politics. Our democracy is much better served whenever we can get decision-making powers closer to the local level. In other words, instead of reaching out to touch our politicians at Queen's Park, we can now reach out to touch our local council chambers to ensure greater visibility of taxes generated and spent.

With more responsibility entrusted to politicians at the local level, prudent spending of our tax dollars and enhanced accountability should result. Although many features of the omnibus bill may not be subject to appeal in the courts of the land, which should rightfully serve as a check mechanism, our true check mechanism will be realized at the ballot box every three years.

Schedules M and Q: The greatest sources of revenue generation and cost savings afforded to municipalities through Bill 26 are to be realized in both schedules M and Q. In dealing with schedule M, our organization is troubled by the following areas: the concentration of authority in the minister's hands; the lack of clearly defined direct taxes; exemption of police boards from municipal control; and undefined audit and review procedures relating to the efficiency and effectiveness of a municipality's operations.

Authority: Interestingly, municipalities have been given greater powers but little, if any, authority. This relationship could very well give rise to numerous problems down the road. This does not recognize or treat municipal government as a mature form of government. It does not provide for a stable decision-making process. For example, on page 153 of Bill 26, subsection 257.5(1) says: "The minister may make regulations exempting any business or class of business from all or any part of a business licensing bylaw of a local municipality." It is quite conceivable that any municipality could base the provision of services to the taxpayers on revenues derived by certain classes of businesses, only to have the province, at its discretion, as determined by regulation, annul that particular form of revenue.

Definitions: The aforementioned scenario therefore makes the compelling case for the province to clearly define in advance the expanded inventory of licences and user fees available, as well as appropriate forms of direct taxation. Many persons in our community have expressed a high degree of apprehension that any tax savings to be realized through decreases in the provincial tax rate will simply be hijacked by an endless assortment of new tools being given to municipal governments. In order to establish a level playing field, taxpaying citizens and businesses must know what the rules of the game are before they're expected to play. It is our belief that many of theses concerns could be assuaged by creating a

defined inventory of revenue-generating user fees, licences and taxation tools.

Special status: The ability of a municipality to dissolve local boards inexplicably omits police boards. This would suggest that a special status has been conferred upon police boards. Any board funded in whole or in part by a municipality should logically come under a measure of local control. Although we are not in favour of dissolving any particular police boards, we are only suggesting that they be treated no differently than any other board whose source of funding is provided by local taxpayers.

The London-Middlesex Taxpayers' Coalition applauds the provision contained within Bill 26 which obligates the municipality to provide the minister with full information relating to the efficiency and effectiveness of municipalities' operations. Discretion is provided to the minister as to what time and in what manner and form such information must be provided.

We would like to recommend that the minister utilize an audit procedure commonly used in the private sector known as the comprehensive audit. On page 3 of your handout you will, in detail, be able to analyse on your own time the contents of that working document. Time doesn't afford us to get into it in any great detail here. However, it would be most worthwhile to mention the principles on which this process is based.

Public business should be conducted in a way that makes the best possible use of public funds. The decisions made by management should result in economically efficient and effective use of public funds. The resources, people, goods and money should be used as productively as possible, with programs achieving their intended results, and people who conduct public business should be accountable for the prudent and effective management of the resources entrusted to them.

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Schedule Q: The various acts referenced glaringly omit any reference in the specified criteria to be considered by arbitrators of comparisons between comparable employees in both public and private sector job places. It is only reasonable that salary and benefit settlements reflect standards inherent in the much broader private sector workplaces. It makes little sense to ignore any prevailing competitive forces in the marketplace for purposes of comparison. We respectfully request the inclusion of this item in schedule Q.

Effective medicine: The London-Middlesex Taxpayers' Coalition acknowledges the dislocation and disruption to many workers affected by this legislation. We can only hope that greater partnerships of understanding can be forged, whereby those affected can truly understand the urgency and need for these measures. The precarious state of provincial finances, combined with the previously mentioned NIMBY syndrome, restricts the number of options available to this government.

Quite simply, the controversy surrounding Bill 26 resembles the prescribing of a distasteful medicine to a recalcitrant patient unable to accept the short-term discomfort of the medicine for his long-term health. Surely, if we fail to aggressively deal with the horrible state of provincial indebtedness now, many more workers could be affected in the future and oppressive levels of taxation would result. Distasteful as it might be, the effectiveness of the medicine can only be realized by the firm resolve of the government administering the medicine.

We respectfully suggest that the government administer its medicine over a greater period of time, through delay of its unconditional grant funding cutbacks. We suggest this time delay so as to provide municipalities a time frame in which to become familiar with the new tools made available to them, much like a cabinetmaker who's been provided with a table saw, a bandsaw, a jigsaw, a chainsaw, a handsaw and a coping saw, and who is intent on constructing a given project. He has to know the quality and characteristics of the individual tools provided to him. He has to know which tools cut the fastest, which tools cut the smoothest and which tools afford him the greatest creativity. Once these qualities and characteristics are known, he can then fashion an end product that will be long-lasting and durable and is best suited to its individual needs.

Similarly, municipalities have the same assortment of tools. If they don't take the time to learn the effectiveness of their new tools, they could very well undertake actions that may not serve the long-term interests of their communities. They might very well cut essential services too fast, cut too deep and thus damage any long-term benefits that could be realized through a thoughtful, unrushed decision-making process.

Should the government find merit in this suggestion, we believe that under no circumstances would there be a loss of credibility. Immediately following the provision of all their new tools, a minimum six- to 12-month delay in funding cutbacks would serve as an enabling period to become familiar with them. This delay would certainly be viewed as being most reasonable and fair. Proper notice will have been served that this government is serious and committed to establishing a new order of business—a new order of business that our organization firmly and clearly believes will result in more secure and long-term prosperity for the very people who do not want to take the medicine.

The Chair: Thank you. We have about three and a half minutes per caucus for questioning. I'd like to welcome Mr Smith and Mrs Cunningham. I believe, Mrs Cunningham, you can start the questions.

Hon Dianne Cunningham (Minister of Intergovernmental Affairs, minister responsible for women's issues): Welcome, not so much to the presenters but to others, to London, and especially my colleagues from other parts of Ontario. It's good to have you here.

Mr Montag and Mr Stevens, I'd like also to thank you for the complete presentation that you provided to us and to assure you that we'll be looking at every piece of information and suggestions.

I would ask you to speak, perhaps from your own experience, a little further on what you feel we can do, because I agree with you that by virtue of their omission, police services boards and school boards are not part of this bill. We've been criticized for putting too much in it, so there are reasons, probably, that the ministers didn't want those two pieces involved.

Could you speak a little more, perhaps, to the police services board? We're going to be hearing, I understand,

from the city of London in that regard and certainly with regard to the piece about municipalities having more control over the boards and commissions. Do you want to give us some advice in that regard?

Mr Stevens: We're not really in a position to provide advice in that regard. I guess the comment on that particular item in schedule M begs more of us asking the question as to why, strangely, the police services board would be omitted from that legislation.

Hon Mrs Cunningham: Possibly because we didn't want to deal with it that quickly but we knew there was a problem. It's not unusual. A former minister is sitting across from me who dealt with the cost of amalgamations and boards and those kinds of things within his own ministry, and he knows the expense and the time-consuming—we in London certainly understand that. So there was a request that municipalities have more control, and we weren't sure where we would want to go. I think police services boards, given our mandate for safe communities, are extremely important and would require a different kind of legislation that wasn't directly related, I think, to the money pieces, as omnibus bills usually are.

Your other piece, that we didn't put a list of these fees or taxes, wouldn't you normally expect that if there's going to be a list like that, it would come in the regulations, which of course aren't present right now? Do you think that you could put a list together or should we be asking municipalities or do you think others will come forward with those kinds of lists for us?

Mr Stevens: I think it would nice, as mentioned, to have a list or an inventory of what types of things are available. Simply, we could get into widespread or vast discrepancies throughout the province.

Certainly, the public and businesses at large would like to know what could be out there in terms of things that could be awaiting dollars being extracted from them. This isn't to suggest that if you create an inventory of 60 tools, all 60 would be utilized by any one given municipality. Some might use 20, some might use 40; it depends upon their fiscal prudence at the local level. If local politicians are able to manage their resources in an effective and efficient manner, the likelihood of their dipping into the inventory of tools would become less, as opposed to an irresponsible municipality that, for whatever reasons, chose to provide this service and that service. So they would have to answer to that.

Mr Gerretsen: Just a quick comment: As a former chairman of a police commission and a municipal politician, I know why police commissions weren't involved in this process. You didn't want to alienate the police association and the chiefs of police in the province. It's as simple as that. Traditionally, those budgets have always been ultimately under the control of the Attorney General.

Hon Mrs Cunningham: I think that's who you should be talking to.

Mr Gerretsen: I'll tell you why. It's always been under the control of the Attorney General rather than under local councils, which local municipalities don't particularly care for at all, and that's the real bugaboo. They didn't want to upset the police commissions or the chiefs of police. That's a long-standing thing that goes back 40 or 50 years.

Hon Mrs Cunningham: Neither did previous governments.

The Chair: Order, please.

Mr Montag: One thing I'd like to comment on: We have a problem in London here with the enforcement of bylaws. The police don't do this any more. First they stopped enforcing this one and then this one and then that one. My thoughts are that if they won't enforce city of London bylaws, why should the city of London pay their salaries?

Mr Phillips: I appreciate the presentation. You quote the same biblical passages that the government members quote: St Paul's second letter to the Thessalonians. I understand where you're coming from, I understand where the government's coming from and it's not one I feel very comfortable with. But your brief is interesting in that you are supportive of the bill, I gather, and then by my count you've got seven or eight major reservations about the bill. You people, I gather, are business people.

Mr Montag: No, on the contrary. Craig is a city of London employee and I'm retired.

1030

Mr Phillips: My apologies. I think, though, that your organization may believe government should run things orderly, the things it does should be well thought out, if you pass legislation, it should be legislation that reflects concerns. Why would you be urging us to be rushing this bill through, when you yourself have, by my count, eight major reservations about the bill? Wouldn't we be wiser to be taking perhaps another four or five weeks to make sure we get this right?

You said we're like a "cabinetmaker." You don't mention sledgehammer in the tools, by the way. I think what we're really doing is trying to build a cabinet with a sledgehammer here, not with a table saw or a bandsaw. But why would you be urging us to pass this sledgehammer legislation when you've got eight major reservations yourselves?

Mr Montag: First off, we definitely are in favour of this bill, but I think Craig clearly had a passage in his presentation where he was urging the government to take a little bit more time and do this a little slower, particularly when you look at giving the municipality more tools. Let them learn how to use them and what ones to use best. No, we're not urging this bill be rushed. We basically approve of most of the bill—not all of it, but most of it.

The Chair: Thank you. Mr Silipo?

Mr Silipo: Yes, I will start, Mr Chair. That was the point I wanted to pick up on as well, because quite frankly I think it's very interesting, and I would suggest even useful for this process, for a group like yours, which supports what the government is doing in a general way, to be also saying to us that a little bit more time would be helpful. That's the point exactly we've been making. In fact, if it wasn't for the actions we took as an opposition, we wouldn't be hearing from you today. We wouldn't be getting your perspective and the government wouldn't be getting your advice. My only hope is that if the government isn't going to listen to that advice from any other group, it might listen to groups like yours which are saying, "Give people more time to adjust to

this and to be able to deal more effectively with some of the problems in here."

One of the things specifically that I wanted to pursue was your point about the need for us to be clear and the government to be clear about what would be allowed under the various direct taxes and user fees etc. Would you have any concern if it became clear—as we believe is the case now, but whatever way this would be clarified—that in fact what is allowed under this legislation is the ability by municipalities to impose gas taxes, income taxes, various other direct taxes, in addition to their ability to impose a whole array of user fees? Would you have any concerns about that?

Mr Stevens: What exactly is your question?

Mr Silipo: Well, that's my question. Would you approve or disapprove of that, of municipalities having the right—

Interjection: Gasoline taxes.

Mr Montag: Gasoline taxes: I don't think we'd agree with that. User fees: Very definitely we would agree with more user fees. Taxation—

Mr Silipo: Sales taxes.

Mr Montag: —taxes everybody. Whether you use the service or not, you have to pay the tax. I think a user fee is a much more fair way. It's just, a user fee is tax.

Mr Silipo: I guess my point further to that would be this: You no doubt support the government's move towards the 30% tax cut.

Mr Montag: Not necessarily, no.

Mr Silipo: You don't? Okay. Well, that's interesting.

Mr Montag: No, I would gladly forgo any tax cuts coming my way if the money was used for deficit reduction.

Mr Gerretsen: Hey, great.

Mr Montag: There are a couple of things. I disagreed with the government promises when they were elected. One was when they reduced photo radar. I wish they'd bring that back. That made our highways safer. It saved lives, it saved money.

Mr Silipo: We agree.

Mr Montag: Another thing, I wish they would really take their time on these tax reductions. I don't mind paying my taxes, providing the money is used in a proper manner. If it's used to reduce the deficit, they can break their promises about tax cuts.

Mr Silipo: Do you agree—

The Chair: Thank you, gentlemen. I apologize, Mr Silipo. We've come to the end of your half-hour. I'd like to thank you both for coming forward and making your presentation to the committee today.

LONDON PROFESSIONAL FIRE FIGHTERS ASSOCIATION

The Chair: Could I please have representatives from the London Professional Fire Fighters Association come forward. Good morning, gentlemen. Welcome to the standing committee on general government. You have 30 minutes this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to field questions from the three caucuses. I'd appreciate it if you'd introduce yourselves at the beginning of your presentation for the benefit of Hansard and the members.

Mr Terry Kilburn: Good morning. My name is Terry Kilburn. I'm the president of the London Professional Fire Fighters Association and a professional firefighter in the city of London. My colleague is Ken Gaskin, the vice-president of the London Professional Fire Fighters Association and a professional firefighter in the city of London. We ask your indulgence this morning. We're a little out of our element. We'd be a lot more comfortable with an air pack on our back and bunker gear and if this place was on fire.

I believe you all have copies of the brief. The London Professional Fire Fighters Association represents the full-time employees of the London fire department, with the exception of the chief, deputy chief and the secretary to the fire chief. It is that role that brings us here before you today.

Emergency service providers for this community are gravely concerned with the component of Bill 26 that has the potential to invoke a negative impact upon the fire services across the province. The objective of this presentation is to provide specific references and recommendations, but the interim goal is to provide our perspectives on those areas of Bill 26 that have an adverse effect on our community. Comments within this presentation are limited to schedules Q and M of the bill. To qualify this presentation, it is necessary to provide some background information and a history directly pertaining to the systems currently in place.

Under schedule Q: Long before the existence of the present Fire Departments Act, citizens of this province who enjoyed the services of professional firefighters could go to bed at night knowing they had the security of an emergency service only a few minutes away. They were guaranteed those services were available 24 hours a day, seven days a week, 365 days of the year, Christmas, Easter, New Year's etc.

To measure response performance, many municipalities, including ours, melded entire operational effectiveness of their fire departments into one all-encompassing number, the average response time. For many years Londoners could rest easy knowing the protective resources of their fire service were only 3.5 minutes away, on average. The 1993 annexation took the average response to well over four minutes. Cutbacks proposed by the municipality could see these times escalate to the 10-minute figure.

Flashover, for everybody's benefit, takes place at approximately seven minutes. That is the approximate time the experts say that a fire gets reasonably out of control. At the seven-minute mark is when the potential rescue turns into a fatality, when the $5,000 fire turns into a $50,000 fire.

Professional firefighters in this province stand proud in their claim that service has never been interrupted due to labour relations issues between themselves and their employers, the municipalities. Because firefighters chose to sacrifice these rights, the provincial government gave the specific rights contained in the Fire Departments Act. One of the foundations on which the act was formulated was an independent system of arbitration allowing these

essential workers to settle the terms and conditions of their collective agreements. This option could be exercised by either party only after the normal collective bargaining reached a stalemate.

The adoption of schedule Q of Bill 26 could significantly alter the fundamental independence and integrity of the arbitration system. Such a move would deal a devastating blow to our fundamental rights to negotiate freely in this democratic society.

As I stated earlier, we are professional firefighters, trained and skilled in the delivery of emergency services. However, every year or two, depending on the duration of our agreements, we enter a room with municipal representatives who are professional negotiators and human resource personnel in an attempt to negotiate future wages and benefits for our fellow firefighters. One would think that pitting amateurs against the professional corporate negotiators already slants the advantage heavily in the direction of the municipalities.

No one wants to admit failure in any endeavour. Nevertheless, the outcome in a failure of the negotiation process is an interest arbitration.

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Statistics compiled by the Ontario Professional Fire Fighters Association support the claim that professional firefighter locals have not rushed off to arbitration, as the municipalities would have you believe. These statistics demonstrate that over the past 14 years, only 141 boards of arbitration occurred out of some potential 1,218 negotiation situations. Professional firefighter associations were able to negotiate mutually acceptable agreements freely with their employers over 85% of the time. Even out of these 141 failed situations, a reasonable person would assume the municipalities must share equally in the reason for that failure.

When negotiations fail, both firefighters and municipalities must trust the independence and integrity of the arbitration process. Contrary to AMO's position, both groups take an equal risk by involving a neutral board to decide the outcome of their respective futures. Arbitrators can just as easily decide in favour of a municipal request as an association one.

The proposed criteria, as set forth in Bill 26, would constitute a significant interference to the integrity of the arbitration process. Some criteria will prompt further legal debate for explanation, resulting in much more complicated and lengthier arbitration boards. If anything, Bill 26 will proliferate the arbitration system.

Members of AMO and municipalities would have you believe favouritism in favour of the firefighter associations distorts the present system and therefore demands modification under Bill 26. From our experience, it would be safe to say that firefighters have presented exhaustively researched proposals with lengthy and morally defensible justifications for their requests. On the other hand, the corporation representatives come to these same arbitrations with weak and ill-prepared proposals and rebuttals. If firefighters fare well, it is because they take the process seriously and work diligently to prepare both their arguments and justifications. Let the truth be known: Politicians and municipal representatives have chosen arbitrators to act as scapegoats in an attempt to deflect any potential political controversy associated with awards of justifiable increases for firefighters.

Firefighter negotiation teams do not haphazardly present requests to municipalities. Dr Eric Taylor, a renowned labour relations expert, maintained firefighters should adhere to three basic tenets prior to accepting any idea from the membership for submission. These groups scrutinize it by determining whether it is morally sound, legally defensible and reasonably practicable. These three simple criteria are the firefighters' secret of success, not a flawed system.

To sum up our requests on schedule Q, we submit the following:

(1) Remove the criteria for arbitrators contained in Bill 26.

(2) Clarify the meaning of the legislation to reflect the Solicitor General's comments made in the fourth paragraph of his letter dated December 18, 1995, to the president of the Ontario Professional Fire Fighters Association. That's attached to the brief as appendix A. I've highlighted the paragraph for your convenience. The paragraph states:

"With respect to the criteria for arbitrators, I can assure your association that the five criteria set out in schedule Q of Bill 26 are not an exhaustive list of factors which an arbitrator can consider. The wording of the criteria section does not preclude an arbitrator from taking other relevant factors into consideration."

We hope that's a true statement, because it did come from the Solicitor General.

We will now move on to comment on schedule M and the effect of the proposed powers of restructuring. As with schedule Q, we will make specific requests later in the presentation.

It is the position of our association that our municipal council has maintained far too much power and authority in respect to the provision of emergency services within our community. The proposals in Bill 26 would greatly enhance their existing powers, to the detriment of our citizens and taxpayers.

In order to anticipate the effect of Bill 26 on our community, looking to the past is necessary. Contrary to the opinions of municipal councils, they have maintained unquestioned authority concerning the levels of emergency services within the community. Admittedly, this is an onerous task. In today's litigious society, this is a balancing act that runs parallel to the old but memorable Fram oil filter commercial, "You can pay me now or pay me later." As the commercial implies, the cost of paying up front far outweighs the potential loss if we ignore the appropriate actions.

Fire departments are a form of proactive insurance. Their activities are aimed to prevent fires or, in the case where one starts, to attempt to prevent loss of life or minimize property damage. While house insurance can replace or repair the structure and its contents—assuming it stays affordable—one cannot buy loved ones or items which represent treasured memories.

Until recently, municipalities have been impervious to their decisions with regard to fire protection. However, legal suits are now just coming to the forefront in the emergency services field. Municipalities are becoming

increasingly involved in legal action because they have not provided what some authority deems to be an appropriate or adequate level of service.

Within the profession of firefighting, the province of Ontario entrusts the office of the fire marshal with providing the expertise to recommend the levels of adequate services to the community. They have developed extensive models that evaluate many different factors connected with the requirements of firefighting.

In 1972, the mayor and council of the corporation of the city of London commissioned the office of the fire marshal to conduct a study pertaining to the firefighting needs within this community. The resulting document was quite substantial. To provide a brief glimpse of the conclusions of the Ontario fire marshal, we've provided several pages attached to the brief as appendix B. One of these pages is a recommended level of service and an organizational chart for the city of London fire department. Keep in mind that this was a recommendation made by experts more than 23 years ago.

Quickly scanning the chart reveals that the recommended level of resources far exceeds the resources available now in 1996. Since then, London has more than tripled in geographic size and its population has grown by 50%. This must bring us to the realization that municipal council in London has not given the provision of emergency services in the city of London its deserved priority. The London fire department has not grown in proportion to the rest of the community. They have ignored the expert opinion of Ontario's foremost authority on firefighting: the fire marshal for the province.

The unprecedented and sweeping powers of the proposals in Bill 26 will only serve to amplify the current problems. Municipal councils will have the sole authority to make uninformed decisions, further jeopardizing public safety. While elected officials may come from diverse backgrounds, they do not have the expertise necessary to make such dangerous decisions.

When the provincial government announced the funding cutbacks in early December 1995, the city of London gave some clear indications of where fire and other emergency services fit into its priorities. In an attempt to offset those cutbacks, they aimed their primary focus of the budget cuts directly at the fire department. If initiated, levels of service would drop to those in place more than 30 years ago. This subject has been a popular topic at both council, in council minutes, and in newspaper articles. Several of those articles are attached to the brief as appendix C.

Firefighters in this community have spent hundreds of off-duty hours in the past year to lobby politicians and citizen groups to allow us to provide a higher level of emergency service to the community in the form of defibrillator services. Existing resources of the fire department are underutilized and could be given additional responsibilities related to emergency services. The association eventually convinced council to support a limited defibrillator program but, as usual, financial considerations are predominant. However, while many heart attack victims may not survive, we are relieved to hear that leaves will be picked up by the corporation regardless of the cost. Does the provincial government expect rational, reasonable arguments on the ability to pay from municipal representatives with these priorities?

One of our main concerns with the proposed municipal powers under Bill 26 lies with the definition of "local board" as cited in schedule M. The spectre of a private-enterprise, publicly funded emergency service should send chills up the spine of all people involved in these proceedings. We urge the government to alter schedule M of Bill 26 to exclude fire departments from any possibility of being deemed to be a local board and assure the public that municipalities will not put their health and safety at risk as a result of privatization of essential fire services.

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To sum up our requests on schedule M, we submit the following:

(1) That the government exempt firefighters and the fire service from the impact of Bill 26 and allow the provincial representatives to continue discussions on our own piece of legislation, the Fire Departments Act, as was promised by the Conservative government prior to the election.

(2) We wish to seek an amendment to the bill which would remove the words "despite any act" wherever they appear in the legislation. This government is poised to make a law to break many laws.

(3) If there are specific pieces of legislation which the government might wish to override by regulation, they should be specifically included in Bill 26 rather than granting the government this type of blanket authority to override other existing legislation.

(4) We would also like to see an amendment which ensures that rights and privileges granted under the Fire Departments Act cannot be removed by virtue of a restructuring proposal or assumption of power by a different tier of government, and that any municipality or other body which assumes responsibility for fire services is obligated to comply with the requirements of the Fire Departments Act.

In summary, the ability-to-pay arguments are going to cause quite a problem. Just to give an example, before we came here today—I'd like to put this out on just how subjective the ability to pay is going to be and how difficult it's going to be for an arbitrator to consider. I want to read one paragraph. Like many people today we did a little surfing of the Net. We got material that was put there by the city of London. It's relevant. It was taken off today, so it must be relevant, it must be timely and it must be true. I'd like to quote from that material:

"London is the country's best-run city, according to the Financial Times service. London's average household income is $51,721, the second-highest in the country, but its taxes are the least, or 24% below the average. A streamlined government manages to deliver police, fire, sanitation and other services at remarkably low cost."

Given that kind of information, you can imagine the predicament an arbitrator would have if people come forward and say they don't have the ability to pay.

Society has changed considerably in the last 40 years, and one cannot deny that fact. Admittedly, 40 years ago the negotiating process was much different from what it is today. However, members of the public still consider

the safety of themselves and their families as a paramount concern. All students of management are aware of Maslowe's theory of the hierarchy of needs. In this popular theory, Maslowe suggests that safety, food and shelter are the foundation of every person's needs. This instinct goes back to the days of primitive man. A person cannot move to a higher plateau until these requirements are satisfied. Schedules M and Q of Bill 26 are an erosion of our fundamental rights to freedom but, more important, compromises the very thing we so desperately seek: safety for our families.

On behalf of ourselves and the members of the London Professional Fire Fighters Association, we thank you for the opportunity to forward our concerns for consideration.

The Chair: Thank you for your submission. Unfortunately, we only have three minutes per caucus for questions. We'll start with the opposition caucus.

Mr Phillips: This is one of the most professional briefs we've seen, and I congratulate the London firefighters association.

I want to focus a little on the arbitration thing. You're probably aware that when the government has been talking to the credit rating agencies, they've been saying: "Don't worry too much. We've got this new power to direct arbitrators on settlements. We're coming off the social contract, but this new power we're going to give arbitrators will help to keep costs down."

It is seen as a big cost-cutting move by the government and it's being used to comfort the credit rating agencies. When we ask the government where else this exists, we keep hearing that in other jurisdictions in Canada the language "ability to pay" exists. Frankly, all my studies say it does not exist anywhere else. The government keeps saying it does. We ask for the evidence. They can never provide the evidence that it does.

What you are facing is a direction to arbitrators that exists nowhere else. Has your organization, the London group or the Ontario group, been able to look at other jurisdictions and restrictions placed on arbitrators in other jurisdictions in Canada? If you have had that opportunity, have you found any jurisdiction that gives these fetters to arbitrators?

Mr Kilburn: No, we have not. We've been facing the ability-to-pay arguments for many years at the bargaining table, almost 20 years, and we're not aware of such restrictions anywhere else, in our country anyway. The ability to pay is such a subjective argument, as in the example I gave with the city. Where a city spends its money and the priorities of spending are a really onerous task. If we knew the answer to how to spend municipal money, we'd more than likely be running for municipal politics.

It's the priorities. Legislation is lacking, and municipalities aren't required by any kind of law to have a fire department or to fund a fire department to any degree. Across this province, you've got one community that takes fire services as a fairly high priority and will fund it to a certain level, whereas the community just down the street might not take something very seriously. They might be more interested in supporting their legal division and things like this, and they might have many more lawyers, so they might not put the emphasis on providing fire service.

The Chair: Sorry to interrupt, but we must get to the third party.

Mrs Marion Boyd (London Centre): Thank you very much for the presentation. I too congratulate you on its very professional appearance.

Every time a group like yours comes in front of this committee, or indeed is talked about by government members or by those who support this legislation, your comments are painted as self-interest. I think it's very important for us to understand that you are saying to think here. You're talking about our interests as communities, as citizens of communities, not just your own personal interest as members of a bargaining unit.

Your concern is the conjunction, I gather, between the standards for firefighting and the need for there to be clarity around efficiency and effectiveness and the relationship that might have to safety if there are no standards. Am I right in saying that is the gist of what you're trying to say, that you're quite agreeing that there may be other ways to provide these emergency services, that there needs to be flexibility in that, but that you would like to see standards? What isn't clear to many people in the public is that at the same time this bill is coming forward, there's the report from the fire marshal's office itself, the impact of which on standards is not yet absolutely clear to everyone.

Mr Kilburn: I think we could talk for quite a while on that one. The office of the fire marshal in some respects is being listened to by the government. One of the things I brought up here was that a fairly extensive and very expensive study on fire services was done by the fire marshal some time ago in London, and basically it was put on the shelf and never acted on. These things seem to have no teeth. We welcome to some degree the recommendations made by the current fire marshal having to do with standards. There have been ongoing deliberations between our organization and the fire marshal's office on them. Standards within the fire service are needed, also standards that municipalities should have to provide a certain degree, and have somebody of authority determine what that degree is.

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Mrs Boyd: That's why you're concerned about the override in the section, that Bill 26 would override any other legislation.

Mr Kilburn: Yes. There has been ongoing dialogue between our provincial body and the government on the Fire Departments Act, and this has gone on for quite some time. As with any negotiations, there has been movement on both sides in the realization that things are changing. We expected that negotiation process to go on. We were told that negotiation or consultation process would go on. It has not, up to this point. Once this sledgehammer came out, it looks like this is going through and our consultation, whatever it was, is over.

The Chair: From the government side, Mr Tascona.

Mr Tascona: Thank you for your presentation. I'd like to talk to you about schedule Q. The mandatory criterion, as you know, and you're familiar with the interest arbitration process, certainly is a process for this

to be considered by arbitrators. Unlike what my friend Mr Phillips says, it's certainly in other jurisdictions. The federal Liberal government has it in place—

Mr Phillips: I don't think so.

Mr Tascona: —and other provinces. If he had read what I gave him yesterday, he would know that.

Mr Phillips: I've read it and it's not there.

Mr Tascona: There is a mandatory criterion, and ability to pay is a relevant factor that can be considered among the factors. So there is a mandatory criterion. But in terms of independence, certainly judges have the ability to consider criteria and they have the requirements to consider legislation, such as the Municipal Act, and no one's ever said that's affected their objectivity. You've got the assurance from the Solicitor General with respect to other factors being considered in terms of mandated criteria.

I'd just like to put to you that we know taxpayers are taxed out. We also know we've got a debt problem. We also know that if we have an arbitration award that increases wages, we're going to have a resulting tax increase. We know what the reality is, that wage increases for the public sector are certainly something that haven't been before us under the previous government and that's a fiscal reality today.

Why aren't we focusing on such things as productivity bargaining to streamline the services, looking at cost savings and perhaps reorganizing the compensation package so we can have a fair deal for the taxpayers, for yourself and the safety of the public?

Mr Kilburn: I'd like to speak to the first part of your question. We deliberately put that material in our brief regarding the fact that we've spent the last year arguing against our municipal authorities to expand the level of service that we provide to the community. The initial onset, and I fully agree that productivity is an answer, is that we have spent a considerable amount of time trying to increase the level of emergency service we provide within the community. We have been lucky so far that we've started a defibrillator program on a smaller scale. It's going to expand. We want to see a higher degree of emergency services provided in the community.

A lot of people have the tendency with fire departments to look at us as if we've got all kinds of downtime, and if we maybe have a little bit of downtime, "Here's a gallon of paint and a paintbrush, paint the firehall." I'll be the first one to admit, given our wage scale, that we are very high-paid painters, if municipal councils use us for those activities.

We have taken a very realistic look at our community. We are very reasonably talented people and we're very capable of providing much higher levels of emergency services within our community. It's unfortunate, like I said, when we've been going through the past year arguing to try and be able to do that.

I agree with you 100%. We are very much in favour of reorganizing and providing better services with the existing resources.

The Chair: Thank you, gentlemen. I'm sorry, but we've come to the end of your half-hour presentation. I appreciate your coming forward to be in front of the committee today.

Mr Phillips: Mr Chair, if I might, the government continues to say it has given us examples of ability to pay in other jurisdictions. I've reviewed all the material they've given us, I've asked staff to give me examples and we still don't have them. I don't think it exists anywhere else.

Mr Tascona: Mr Phillips, I have given you legislation that deals with mandatory criteria in other jurisdictions, but you keep harping on ability to pay.

Mr Phillips: Here's what I'm asking, Mr Chair: Perhaps we can have our research officer look at the material and give us an opinion on whether it does or does not, because we are dealing with firefighters' lives here. The government is saying one thing, and the information they're providing, in my opinion, provides another.

The Chair: Mr Phillips, if I might, I'll ask the researcher to provide the information, but I must say I think there are two different things being said here on your part. You want to find out if the ability to pay is in any legislation; Mr Tascona's point is continually that there are mandatory criteria in other. Shall we do a search for both?

Mr Phillips: So ability to pay does not exist anywhere; is that what you're saying?

Mr Tascona: It does exist. It says, "any other relevant factor." If you'd read the legislation, it's very clear.

Mr Phillips: Mr Chair, he's saying it does exist, and that's my point: It doesn't exist.

Mr Tascona: It can exist, definitely.

Mr Sampson: On a point of order, Mr Chair: I think the request to the research officer has been to do the research; I don't know that it's in the research officer's position to come up with an opinion. Through you, Mr Chair, to the research officer, it would be appropriate for him, if so directed and Mr Phillips still wants to have the research done, to the extent that the research officer is capable of doing that, to provide it to the committee at some time.

The Chair: What I'd like to ask research to do is maybe find out if there are two things in other jurisdictions: (1) the ability to pay and (2) mandatory criteria in arbitration cases.

Mr Phillips: There is clearly mandatory—it's the ability to pay we're arguing over.

Mr Silipo: Just to be helpful, I hope, from this side, I don't think we're quibbling with the fact that there is information before us that clearly says that in other jurisdictions there are mandatory criteria. We're not disputing that. I think the issue is that Mr Tascona particularly has continued to argue that this includes the issue of ability to pay, that this exists. As Mr Phillips has said, we haven't seen in any of the stuff that we've been given that that actually exists. It would be useful to know if that in fact exists in any other jurisdiction. I think that's the essential point we need clarified.

Mr Tascona: The point I was making is that ability to pay is a factor that can be considered and it's provided under the legislation.

Mr Silipo: That can be considered now without the legislation.

Mr Tascona: But it's a factor that's mandated in the legislation that can be considered. Any other factor can

be considered. My point is that ability to pay is a factor that could be considered. That's all our point is. Mr Silipo, it's fairly obvious.

The Chair: I think we have a point of interpretation. Mr Tascona is claiming that ability to pay would be, in his interpretation, included in the phrase "other relevant factors." I don't think he's contending that "ability to pay," those exact words, are necessarily in other legislation.

Mr Silipo: That's helpful, Mr Chair, because that's all that Mr Tascona has been saying up until now, so it's useful to have gotten that clarification. Perhaps, then, one of the things our research folks could also sort out is whether it is possible under the existing legislation for arbitrators to consider such issues as ability to pay in Ontario, because I think there's a distinction here between what they may consider and what they shall consider.

The Chair: Gentlemen, I'd like to actually continue this. We have presenters here ready to go. We're 12 minutes behind. I don't want to keep presenters later.

Mr Phillips: Those were your instructions.

The Chair: Yes, my instructions have been given.

1110

LIFE*SPIN

The Chair: I'd ask that Jacqueline Thompson please come forward. Good morning and welcome to the standing committee on general government. You have 30 minutes to make your presentation today. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to field questions. I'd appreciate it if you'd introduce yourself and your organization for the benefit of both committee members and Hansard.

Ms Jacqueline Thompson: My name is Jacqueline Thompson and I'm the interim executive director of LIFE*SPIN, which is an acronym for Low Income Family Empowerment*Sole-support Parents Information Network, the local community-based organization that deals specifically with issues of low-income people and the difficulties they have in getting employment.

On November 29, the government of Ontario introduced the omnibus bill, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda, without invitation or opportunity for public input.

On December 5, we joined with over 900 member organizations of the Ontario Social Safety Network to call for province-wide public hearings and public debates on this bill. Like most of the individuals and organizations you will hear from today, LIFE*SPIN was notified only late last week that we had been granted an audience.

The accessibility of the omnibus bill in its entirety has proven an insurmountable obstacle and a deterrent for many who desire input into this legislation. In fact, the introduction of the specific bill reflects a major aspect of what it introduces: precisely that only those who can afford to pay the printing costs are able to complete analysis and input.

Each time we've raised the issue of the detrimental impacts of various government changes to date with our MPPs, we've been provided an urban myth of an undeserving citizen. Thus, I would like to introduce you to another story you can share, this one a real person telling her own story. Perhaps this account can encourage you to stand for all our citizens, not just for those who can afford to pay.

"I am 34 years old, separated and have three children, a girl seven years old, a boy 11 years old and a boy 15 years old. My eldest son has a learning disability and my daughter needs assistance at school because she has difficulty learning how to read.

"I have asthma and lower back problems. I'm currently in receipt of family benefits allowance and I receive $891 per month. I do not receive maximum shelter allowance as we're living in geared-to-income housing.

"I have a high school diploma, a college degree, a health care aide certificate, a bachelor of arts degree and a university honours degree in English and women's studies. I'm currently taking classes at college in computers, modern workplace expectations and freelance journalism.

"I started to receive social assistance on or around September 1984. I came to be on social assistance after leaving an abusive marriage. My husband was emotionally, verbally and sexually abusive to me. There were times when I feared for my life and for the lives of my children. I was too emotionally damaged to seek employment and lacked training, education and child care to enable me to return to the workforce. Also, my children had suffered from the duration and breakup of my marriage and I needed to be with them as much as possible.

"My husband paid a small amount for child support and, despite repeated efforts, I was unable to obtain more child support, even though my husband made a substantial income.

"I returned to university in the hope that a better education would assist me in obtaining a decent job. I went to school for five years and started to look for work before I graduated. After one and a half years of exhaustive searching, sending out numerous résumés, I have not even had one job interview.

"I have been depressed and discouraged due to the difficulties I have been experiencing searching for employment. There were times when I felt so bad about the desperation that I have considered and attempted suicide. It is so frustrating to be unable to meet my children's basic needs, and with the cutbacks, I have not been able to feed them properly. I had to declare personal bankruptcy last year because my student loan payments were too hard to pay and buy groceries for my children. I felt like a complete failure and was very distraught after declaring bankruptcy.

"I've always disliked being on social assistance, although it is a necessary evil. I feel like I'm not providing enough for my children, even though I'm doing everything I can to secure employment. I'm limited. I cannot work evening hours, weekends, and have to get my children to school and be home for them. I cannot work for minimum wages and pay for child care.

"My husband pays $250 per month for child support which is being collected by the Attorney General's office. The full amount is deducted from my FBA cheque.

"My current housing is a three-bedroom townhouse. It is unsafe as there are no adequate locks on the doors and no locks on the windows, despite my request to the owners to fix these things.

"There is a lot of drug traffic in our neighbourhood and I fear for the safety of myself and my children. I'm paying a high cost for hydro, which is not covered by my shelter allowance with the cutbacks. I'm afraid I will not be able to pay for hydro and heat and it will be cut off.

"I just moved into this place after living in co-op housing for over seven years. We wanted to stay in our home, but we were forced to move because a neighbour victimized myself and my family. He assaulted my son and threatened the lives of myself and my children. So we moved, and the cost of the move has caused further financial distress to my family. I still owe $277 for the final hydro bill at our last residence. Now, with the cutbacks, it will be impossible to play catch-up with my bills.

"I've not been doing well making ends meet and I've had to rely on family and friends to help us. We receive food from the church, and I felt devastated that my life has come to depending on charity to feed my children.

"My children are often hungry. My boys eat as much as adults and there is never enough to feed them. I have been eating very little and have gone whole days without food so I can feed my children. My children are starting to notice that I'm not eating and have tried to give me their food.

"I cannot tell you how many nights I have cried myself to sleep or laid awake with worry about how to feed my family. My budget is so tight that I cannot buy clothes for my children. They wear ragged jeans and shoes and they have inadequate winter clothing. I know they will be very cold this winter and I am helpless to keep them warm.

"My monthly budget is tight. After paying the rent, utilities and debts, I have approximately $140 a month for groceries, clothes and everything else for myself and three growing children. The cuts are affecting my life in extreme ways. I will not be able to feed my children and keep them clothed.

"My 11-year-old son may have to go and live with his father because I cannot provide for him with these cuts. This tears my heart out because I love my children and I do not want to break up my family; nor do my children want to leave home. They want the family to stay together. My son, if he lives with his father, might be living in an abusive situation.

"I have seriously considered suicide. Because I do not think I will have the strength to survive and watch my children starve, I believe that is my biggest concern, that I will be come so desperate and depressed that I will kill myself, a very real possibility, especially if I lose one or more of my children.

"My children, especially the older ones, are becoming angry and frustrated. I'm afraid that they will resort to criminal acts as they realize their needs are not being met. These acts of desperation will haunt them for the rest of their lives.

"My children are become emotionally scarred and are having great difficulty living in poverty. I worry that their health will deteriorate due to lack of proper nutrition. I cannot afford to provide them with nutritious food or vitamins. My little girl will probably never reach her full growth potential. She is already small for her age and I can see that she has been losing weight.

"As my emotional health worsens—lack of sleep due to worry—my physical health worsens as well. My asthma attacks occur more frequently and I have severe migraine headaches that last for days. My pain is so intense, I have difficulty walking and fall down frequently. These symptoms continue to worsen as my financial situation gets more and more desperate.

"I feel like I'm living in a dark tunnel and I do not see the light at the end. I do not know how much longer we will be able to survive as a family under these extreme conditions.

"Our family dog, which we've had for six years, is sick and we do not have the money to take her to the vet. It appears that we have no alternative but to put her to sleep. This will break my daughter's heart."

Many people, like this woman, have been silent—many people who voted for this government—because somehow the promises made during the election campaign have been forgotten. The promise that you would create jobs for the able-bodied who were willing to work is perhaps by far the greatest reason why you are here today.

Every month, LIFE*SPIN provides services to hundreds of low-income families in London. We've heard the same stories hundreds of times. We see and we know that the unemployed workers in our community are well educated, highly skilled, trained and retrained to suit numerous jobs. What's missing are the numerous jobs.

Since over 80% of the tax revenues in this country are collected through personal income taxes, the wisest economic policy would be one of job creation and of job sharing. Instead, we're given job losses, additional mandatory overtime and a detrimental domino effect leaping from the public market into the private market. Instead, we hear fellow chamber of commerce members crying out about government interference in the free market through proposed workfare legislation. Instead, we hear small businesses crying out as they are impacted through cuts to services such as child care, not only to their workers but also on the lost business such community services generated. Instead, we hear people crying out with hunger pains, with inadequate winter clothes, shelter or heat, without the promised jobs to provide for their families.

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These are the cries that you need to listen to and listen for. They are the cries for which you must stop and consider the impact before imprudent and reckless decisions are imposed on our lives and our province.

The overall implications of the amendments: The Savings and Restructuring Act introduces numerous amendments and proposes to enact three new acts. Throughout the condensed schedules, one set of parallel themes arises as the thread which binds Bill 26 together as an act. These parallel themes are, first, the glaring

absence of the right to appeal or seek judicial recourse for poor judgement on behalf of those making the decisions and, second, the insistence that unilateral decision-making will not be hindered by knowledgeable and valuable expertise.

The detrimental impact of this bill also has an overriding theme: the blatant disregard for our economic and social responsibilities to each other in our province. Legislation of such far-reaching consequence should not proceed until there is a full accounting of the impact to the health and wellbeing of all sectors of our people, specifically the poor of Ontario struggling to survive on low incomes with children, as well as to consider the job losses which would result and the spinoff economic effects sure to be created by these massive cuts.

When we look at some of the different socioeconomic implications of the amendments, we can start with the amendments to the Pay Equity Act. In order for the government of Ontario to put its financial house in order, it is necessary to pay women less than fair wages. While this may provide short-term savings in various government ledgers, it would appear that no consideration has been given to the economic spinoff of lost dollars on the local economy or the psychological health of the community in which fair wages allow workers the dignity of providing for their families without government assistance. Hundreds of thousands of women who work for low wages in female-dominated job classes, many of whom are heads of households, no longer will have a right to fair wages. The government is proposing to move numerous families one step closer to social assistance and further reduce the income tax revenue base and purchasing power of these families at the same time. This change does not promote economic prosperity.

The amendments to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act: The proposed amendments under this section severely threaten the remaining vestiges of democracy in Ontario. Not only are the members of the public refused the right to access government information unless, again, they have the ability to pay, they are also denied the right to appeal. In addition, the combination of clause 10(1)(b) and subsection 50(2.1) restricts media access to government information. This attempt to conceal the functioning of government from public scrutiny, to remove our freedom of access to information, is the loss of a democratic right that the freedom of information acts were designed to ensure. These changes do not achieve fiscal savings, nor do they promote economic prosperity; they simply enforce a dictatorship.

The amendments to the Municipal Act: The reductions to funding to municipalities allow the provincial government to place an onus of increased taxes and decreased services on the municipalities. Many municipalities, including London, have already been devastated by the previous cuts as they struggle to maintain the social and community services the province has already withdrawn support from.

The requirement to provide information to the Minister of Housing indicates the introduction of a carte blanche right to identify where social assistance recipients are dwelling, under the auspices of effective and efficient operations, and the requirement to publish all or part of this information is a direct threat to the privacy of the individuals receiving assistance from municipal delivery agents. This change does not achieve fiscal savings, but enacts the right to harass and expose those who are less unfortunate in our community.

The standards for activities of municipalities: These open-ended standards are extremely frightening when one considers the punishment for non-compliance. Considered also is the lack of public input into designing or setting these standards. The apprehension is increased 10-fold. What and who exactly, then, will these unknown standards be established by?

The right to impose direct taxes or user fees: In addition to the 21.6% cuts that low-income people in need in our communities have just experienced, the government is now deciding to offer a 44% funding cut to municipalities in exchange for the right to impose direct taxes and user fees for services currently offered to all our citizens, regardless of their ability to pay. It is nothing less than absurd for the province to offer tax breaks to the wealthy and then request that municipalities redistribute the collection of lost tax revenues among those least able to purchase the services lost due to the tax savings for the wealthy. These changes do not achieve fiscal savings; they simply widen the gap between the wealthy and the poor and blame the municipalities for doing so.

The Public Service Pension Act: This amendment legalizes theft by the employer of over $200 million in payments to retired government of Ontario employees. This decision requires an absolute attempt to consult with those whose lives will be impacted by this change.

The amendment with regard to the interest arbitration: These proposed amendments in the various acts indicated render the arbitration process useless. The vital and essential services provided under these acts will surely be negatively affected as the government seeks to interfere in what was once an independent arbitration process. The arbitration process considered the impact on services if funding was not increased. The proposed amendment allows the government to unilaterally determine the scope and effect of services according to the budgets they are willing to establish for the services. This amendment has the potential to achieve fiscal savings at a substantial cost to our education, our health and our safety. The government is proposing a social deficit in exchange for a fiscal benefit, with complete disregard for the human devastation it will be creating.

The amendments to the Health Insurance Act speak perhaps the clearest of all in terms of the value of human life in this province. Some of the most appalling attitudes in our society today are voiced in these pages. Government officials, as opposed to medically trained physicians, will now determine what services are medically necessary for health and, often, the lives of our people.

This set of amendments would never pass the ethics boards of a single hospital in Ontario, which is no longer a hindrance either. The government proposes to give itself unilateral decision-making power over the expertise and experience of hospital boards, and again with judicial impunity.

Here we find the value of human life is measured in dollars and the ability to pay, both in terms of the types of medical services available and in terms of the medication necessary to remain healthy or perhaps even alive. One's ability to utilize the insured services at a hospital will exclude those who cannot, however, afford their accommodation fees.

The combination of user fees, dispensing fees, co-payments, accommodation fees, prescribed age groups, conditions and limitations dictate that only patients who can afford to purchase medication they are not allergic to are allowed to have it. Only those wealthy enough or insured enough will be able to utilize the medical services. Only those who have an ability to purchase RRSPs in their employment years will have access to life-saving operations in their retirement years. Only those who can afford to pay accommodation fees while a physician keeps them under medical observation will be permitted to remain in the hospital for this often critical surveillance.

Those who have the ability to pay, whether through their ability to purchase insurance from multinationals or through independent wealth will receive hospital care in Ontario. The poor, the disabled and the elderly mean absolutely nothing in this government. They are seen and treated without value.

These amendments place a monetary value on human worth, which is, after all, the crux of the other amendments: to remove all the rights of those unable to purchase them, while reducing the ability of as many as possible. This omnibus package promises to create Ontario as a distinct society, one that most of us will gradually and essentially be excluded from and one which those of us who have had the opportunity to consider through these hearings reject wholeheartedly.

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The amendments put forward in Bill 26 reflect a socially blinded obsession with the desire for unilateral power. We call upon the government to produce an accurate, well-documented, long-term impact analysis of the implications put forward by LIFE*SPIN and other presentations to this committee.

We see far-reaching, long-term, destructive implications on our families, our community and our province. Most sections of this omnibus bill will not address or achieve fiscal savings, nor will they promote economic prosperity.

We recommend that the timetable for this bill be placed in suspension. We recommend that the bill be split into its component parts and the proposed changes be made accessible in whole to all the people of Ontario who may wish to provide meaningful input and reflection.

We further recommend that the consultation process be expanded and a forum for public debate on these changes be provided. We are unable to support this bill in its present form or content.

The Vice-Chair (Mr Joseph Tascona): We now have time for the parties to comment or ask some questions. Each party will have about two minutes to do that. We'll start off with the NDP.

Mr Silipo: Very quickly, thank you for the presentation and I think particularly for bringing us real examples of what it's like to live in poverty on social assistance, and for the description of the case that you put before us.

One of the stark realities for that individual and her family that you described and many others like her, even those who may be fortunate enough to have a job and be working at a low income level, is that what seems to us to be driving the government's agenda, the need for the provincial tax cut, is going to be of no benefit to her in the sense that there will be, for her particularly, no benefit whatsoever in terms of any reduction in taxes; for people in her income range, likewise. Those who will get the greatest benefit are in fact the 15% or so of Ontarians who earn over $85,000 a year and who will get over 40% of the value of that tax cut as we look at the figures.

That, along with the rest of the actions in this bill in terms of the emphasis on user fees, which would take into consideration nowhere the ability to pay, as you pointed out, it seems to us, ends up creating a society in which the rich will get richer and the poor will get poorer, but that gap between the two is going to widen and it's going to end up in a less healthy society. What do you foresee down the road, three, four, five years, with the actions of this government?

Ms Thompson: We're already seeing the results. Families are giving up their children for foster care, which incidentally costs twice as much as it does for the biological parents to care for their children. The heartache that it's causing these families I don't think is repairable.

The Vice-Chair: We're out of time. The government side?

Hon Mrs Cunningham: I think two minutes is not particularly useful to go through this brief. There are a number of areas where I think we should have some discussions. Since you're in my riding and LIFE*SPIN is one of the agencies, I'd be interested in chatting with you in detail about this. I'm wondering if you're working with any of the other agencies that are providing the government with suggestions and perhaps programs that we could consider for implementation with regard to people and jobs.

Ms Thompson: We have offered to meet with the Minister of Community and Social Services and are awaiting an appointment to do that.

Hon Mrs Cunningham: Obviously I'm proud of this city and there are a number of agencies that are looking for the learn and work programs. LIFE*SPIN has been very involved in many aspects of our community. We'll just meet. I can perhaps hook your agency up with another, because I think what I got out of it, other than the technicalities of your brief, certainly was your individual example of someone having the kind of struggles that I think are only going to get worse as time goes on if we don't deal with the challenges that we have in Ontario as both previous governments thought were important to try to deal with in their own way as well.

Secondly, I think you challenged us in this brief to say that we said we would do our best to create jobs, as former governments have done. So I would invite you to meet with me some time, perhaps this Friday, and we'll talk about your ideas and hook you into other agencies so that your agency can be working in a positive way with us. Obviously, Mr Tsubouchi can't meet with everybody,

but he has been in London twice and he will be coming back. I'll make sure that you're on that list.

The Vice-Chair: Thank you, Minister. The opposition party.

Mr Gerretsen: Of course the easiest thing for any party to promise in an election, and all parties have been guilty of this, is to get more jobs. It's a much tougher thing to do than to actually say. Let me just ask you this from a very practical view, but you've certainly put a very human face on many of the presentations that we've heard. We've heard the Premier say, "If people don't like to be on social assistance, just let them go out and get a job," which to me sounds absolutely absurd in the kind of economic climate that they're already in with so many people unemployed. Within LIFE*SPIN, what percentage of the people involved with your organization are looking for a job, or have the skills to look for a job and simply can't find one? Would you like to put any kind of number on that? Can you?

Ms Thompson: We could look at the statistics. We do keep statistical database information. The reason why we moved to doing things like community economic development was because we heard over and over again from our clients that they are well-skilled, they're well-educated, they are willing to work, they're working really hard at finding work. The jobs aren't there. As a community, we're trying to come up with some creative solutions together, but it doesn't make it any easier for people to try to find employment when all the supports to finding employment are being taken away from them.

Mr Gerretsen: Right. So the vast majority of people you deal with aren't lazy or don't want to work; they just simply can't find a job.

Ms Thompson: We hardly ever have somebody who's in that sort of stereotypical category of what a social assistance recipient is or who they are or what their life is like. By and large, people are well-trained, well-educated. They've been retrained to death. They don't want another workfare program. They don't want another learnfare program. They want a paying job so they can contribute their taxes into the tax base, the same as you and me.

The Vice-Chair: Thanks very much for your presentation. We're out of time and the next presentation will be coming forward.

PERSONS UNITED FOR SELF HELP, LONDON

The Vice-Chair: I believe we're ready to commence. The presentation at this time is from the Persons United for Self Help, London, southwestern Ontario, response to the omnibus legislation, Bill 26. I believe we have Bonnie Quesnel here.

Ms Bonnie Quesnel: Thank you very much.

The Vice-Chair: Could you introduce the other individual with you?

Ms Quesnel: Sure. I'm Bonnie Quesnel from PUSH, Persons United for Self Help. The gentleman on my right is Mr Steve Balcom; he's also on the board of PUSH.

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Mr Chair and members of the standing committee, Persons United for Self Help is an organization committed to working for the advancement, integration and achievements of people with disabilities. This segment of Ontario's population has historically been assigned to the last rung of the ladder of needs consideration. This assignment is openly reflected in the marginal availability of accessible housing, transportation, education and employment. There is little in the omnibus legislation to suggest that a positive change is forthcoming.

I am here representing a group of people who have lived, worked and been part of London and Ontario all their lives; people who have and want to continue to have the opportunity to contribute and be part of this great province, bringing our skills, perspective, talents and strengths to our communities and places of work. We are also a group of citizens who have physical disabilities. Our interests are not special. We share the same goals, dreams and visions of all Ontarians. Our group has experienced being marginalized, institutionalized and warehoused away by a powerful few. Now we have the information and knowledge to warn all of Ontario that this Bill 26 is a threat to all.

The introduction and overwhelming content of this bill denies thoughtful participation and analysis. It is an affront to due process. It debunks the belief that the public will be informed. We see red flags rising and warning bells blaring. It will be those of us who will be the most vulnerable and without the powers of the élite who will eventually suffer at the hands of this bill.

It may be true that this government does not want to use these powers to cause harm or deny citizens their rights. They may not intend to further victimize the poor and the people with disabilities, but this particular bill in many instances means that they could. This is not acceptable.

History teaches that in times of economic difficulty, public opinion may demand a scapegoat, but the leadership of a government does not have to provide it. Government can choose to govern for all the citizens or focus upon a few. This bill threatens all people of Ontario by creating divisions and eliminating due process, full participation and government accountability.

The goal to eliminate the deficit is admirable. The tool that is presented to us, Bill 26, to achieve the goal goes far beyond this economic mandate. It is like using a jackhammer to do fine brain surgery. It will do more harm than good. We'll lose our perception of Ontario as one of reason and compassion. As people who have been pushed to the edge of Ontario's safety net, we can tell you that this bill threatens to push us over the edge.

Bill 26 threatens our access to information. Who is to define what is unreasonable? It places the definition of what is medically necessary into the hands of a single minister. It imposes user fees that disproportionately affect people with disabilities because of its regressive nature. It causes greater pain to those of us who have been denied the opportunity to climb the economic ladder.

It has put many decisions into the hands of municipalities and school boards at the same time that it has cut their budgets. Transportation, information access, recreation, access to education will vary from city to city. This has happened before. Transportation services for the

disabled will compete against leaf collection. We will either lose the service or be blamed for the loss of other services. This bill will inevitably increase vulnerability and hostility towards people with disabilities.

The actions proposed in this bill fail to make government accountable for their decisions. This will encourage schools, municipalities and the health care system to identify people with disabilities as an expensive burden, a stereotype that has historically been used in the past. It is possible that politicians and bureaucrats could forget about our humanness and our contributions. They may then see our rights as inefficient irritations. This might lead to something intrinsically right being eliminated.

Will attempts to create savings be in the interest of all Ontarians? We are a group of people who have been institutionalized against our will in the past, denied access to basic services, and experienced even worse in this past century. We warn you that this bill portends trouble. It is by ensuring due process, by ensuring that individuals and governments are held accountable for their actions, that we can be confident that we are all safe.

PUSH believes that this grouping of amendments et al can be addressed under three specific headings: government rights, citizen rights and government accountability. Under these three categories, we can assign all actions, consequences, outcomes and change embedded in the omnibus legislation.

Government rights: This bill is clearly a broad, sweeping instrument of change. It displaces multitudes of legislation formulated by many previous governments. The power being self-assigned by you, our current legislators, seems overwhelming. As we read it, Bill 26 will allow you to adjudicate upon: direction to cease operations; amend or revoke direction; disclosure of information to the director; rescinding of orders; access to personal information; decisions about listing and delisting drugs; agreements concerning payment information; immediate dismissals; categories of fees; billing restricted, billing permitted and co-payments; rights of access; frivolous requests; fees; and billing patients.

Citizen rights: The options clearly defined for citizens are no compensation and no appeal.

Government accountability: The accountability tools incorporated into Bill 26 are that this and all subsequent governments will have immunity from liability, protection from liability, and no proceeding against the crown.

A further deciphering of the text indicates that this government is desirous of absolute control. A minute portion of this control will be dispensed to municipalities. The only group to lack any control whatsoever is the citizens of the province. They are expected to accept and support these new concepts of government without question. However, questions must arise when we find ourselves advancing to the rear. That is duplicating non-constructive system change as seen in Third World nations.

The omnibus bill reveals that there are going to be extensive fees for services, which will contradict promises made to the populace prior to election day. These fees cannot be afforded by the fringe population. People with disabilities are part of that fringe. Fee structures have been indicated in health, access to information, municipal decisions and more. How are we to continue participating or benefiting from services where costs are applied? The point is that we cannot. Is that the intent of this government?

Citizen rights include no access to appeal or compensation. That's a truly limiting view of who and what we are. This is not a perspective we anticipate seeing advanced in 1996. Citizens are the component that makes Ontario a wonderful province. We know we have problems. We know that action must occur. We, as voters, supported your commitment to some of these actions. Now we see something tantamount to an autocracy evolving. You seem to be developing a system without thought to its long-term outcomes. We perceive that we have been abandoned as participants in that process.

In conclusion, we remind you that you committed that we, people with disabilities, would not suffer because of your decisive actions. We do not see how this is going to be possible. PUSH seeks reassurance that your initial commitment is still in place and that there still will not be a negative impact upon our population. Social progress for people with disabilities has taken a very long time. You can appreciate that we do not want to see this progress dissipated in one conglomerate effort. We seek a rational review of this legislation for the long-term wellbeing of all Ontarians.

We thank you for your time.

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The Chair: Thank you, and I apologize for not being here to welcome you to the committee earlier. Thank you, Mr Tascona, for taking that duty from me for a few minutes. We have a little over five minutes per caucus for questioning, starting with the government caucus.

Mr Sampson: Just a brief question, and then I'll pass to other members at the table. I'm just wondering if you can comment on your comment in here that on the transportation side you're perceiving that there are reductions in the subsidies. Is that what you're getting from the message being delivered, that there are some reductions?

Ms Quesnel: Yes, sir.

Mr Sampson: I'm led to believe that's not the case in this particular area, that in fact subsidies for transportation for the disabled are remaining stable. They're certainly not going up, which I think is frustrating for some people, but it's a reality we all have to deal with. But it has not been part of the transportation cuts that were allocated to the municipalities across the board. That's something you should be aware of and it would indicate our commitment to your concerns and your issues in that regard.

Mr Steve Balcom: If I may, my name's Steve Balcom. A fair number of you know of me. Having been involved locally, and provincially for that matter, on issues pertaining to persons with disabilities for almost 18 to 20 years, we are aware with the specific issue of transportation operations that there will be no forthcoming further cuts. Having been a member of a minority all my life, past experience has shown not only me but the rest of us who have been involved as advocates, when you look at the proportionality of the cuts which are inevitably going to come in the global aspect, the impact on us is going to be that much greater.

One of the things I was reminded of from an earlier presentation was the Internet fax that was read earlier about how efficient our city fathers are with services. I can honestly say that when it comes to transportation, London unfortunately is the lowest-funded municipality in the province, and that's an issue that our city fathers are quite proud of, actually. When you put it in the context of leaf collection and blue box collection, when you look at the overall numbers, the amount spent on transportation is pretty small.

To put it back in the context of the omnibus legislation, as a member of a minority that's been marginalized, when you look at the potential in this legislation, it's incredible when it comes to access to information, when it comes to unilaterally making decisions. Having been there before, knowing from where we came, let me just say we're not getting warm fuzzies.

Mr Sampson: Wouldn't it be more appropriate then for you to be able to take the local politicians to task for that inequity, which is the concept under the omnibus bill? Wouldn't that be the issue that you particularly want to do, as opposed to dealing with it through some bureaucrat in downtown Toronto?

Mr Balcom: I'm smiling partially, because there are those of you around the table who are aware of not only me but a number of us who do that. Believe me, we make both our local politicians and our provincial politicians very much aware, and indeed have enjoyed in the past working in partnership with them. The apprehension we have is that there's currently no accountability, and with the introduction of this legislation there's going to be even less accountability.

Mr Sampson: Isn't the issue that the accountability is kind of going back and forth? Really, the issue is that you want to have accountability. You want to be able to go to somebody and say: "Listen, this is not particularly fair. Let's deal with it." Wouldn't that be more appropriate for helping you to resolve the issue?

Mr Balcom: Your point is well taken, but I wish to point you back to the legislation itself. When you look at the way the legislation is set out in terms of unilateral decision-making and arbitration, that very avenue is taken away from not only us as members of a minority but all Ontarians. But the impact on us, as members of a minority, is potentially even greater. That's the concern we have.

Mr Gerretsen: I'd like to follow up on that. There are many new powers given to municipalities, the power to tax etc etc. Of course the government says, "No, we're not really doing that," because they've got legal opinions that in some of the direct taxation areas, they're not really giving it to them. Nobody's being up front about what's really happening here, which is interesting.

If there's one small error in your presentation—or maybe it's just my reading of it—it's that a lot of the powers are not coming to the Legislature. Many powers come to the various ministers, who can then unilaterally decide these different issues. One of the things we've been fighting for is that a lot of these powers of review etc rest with the Legislature so that at least if there are changes, there will be some public debate, if not by the public, by the legislators. A lot of that's being taken away in both the health area and the municipal area. I think that ought to be kept in mind.

Mr Balcom: Believe me, that's something we are very much aware of.

Mr Bruce Crozier (Essex South): Your presentation was very well-thought-out and very detailed. I want to pick up the point that one of the government members was talking about, that this legislation, as it allows decision-making at the municipal level—unless the minister doesn't like it, and then the minister can change that unilaterally—it's easier for you to complain locally. There are two parts to this and I wish you'd comment.

You said you've been involved, I assume both of you and others in your organization, at the provincial level, and I want your comment as to whether it's better to lobby in a larger group with a larger voice, because as you've said you're on the fringe. Second, it was also pointed out that transportation subsidies are still going to be maintained by the province. Therefore, I suggest, and I'd like your comment, that if you complain locally, won't you still be given the same story as before, that that's the province's responsibility?

Those two areas: your ability to lobby locally as opposed to a larger group in the province, and what kind of reaction you will get.

Mr Balcom: I'm just trying to frame your question, because it's almost like a two-pronged answer. We have been involved both provincially and locally over a long period of time—let me just make that fact clear—and speaking from experience, when it comes to maintaining services, impacting on legislation, it is keeping things uniform. One theme that has run across, I would say, 85% to 90% of the presentations to you this morning is uniformity.

The provincial regulations, and I don't really care what service you're talking about, were put in place for a reason, to get uniform access to services and information. What the municipalities, and this particular municipality, have demonstrated and shown us, lo these 15 to 18 years, is their unwillingness to communicate and to negotiate. We have historically always been pigeonholed as a special interest group and a bother. I can't help but be reminded of one issue for which we primarily go forward to the municipality, and it's a good illustration of the very issue you're speaking of in terms of the Paratransit issue. I don't want my answer to be seen only in terms of transportation, but merely as an illustration of historically what has taken place. In this community, when you look at Paratransit as an issue, we are always seen as always going for one more van, one more van. More than one politician has come back to us and said: "Well, the well's dry. I wish you people would quit coming to us for one more van."

One of the reasons we lobbied the provincial government in this issue specific to transportation was uniform standards provincially to be enforced. If you take that issue in the context of all of the other issues in the presentations that have been and will be made to you, that is one of the major concerns. Further, as a member of a marginalized minority, the impact on those of us with disabilities is going to be even greater than for the average able-bodied Ontarian.

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The Chair: Let's move to the members of the third party.

Mrs Boyd: I think that's the real point you're wanting to make, that you are concerned because this act and the other actions that this government has taken are impacting all of us in Ontario. You're saying you're part of all of it but you have a double impact because of the particular situation in which you find yourself.

The government has tried to say that your greatest protection is negotiating on the local level. I think your point is very well taken that the numbers you may have provincially are even less at the local level, and your concern about scapegoating, your concern about costs, we've seen before in this area. If we look at special education in schools, we see the scapegoating of children all the time because they are creating a great cost and a great demand in classrooms and therefore people are against integrating special children into classrooms. I think you have good justification for your concern that at the local level you have experience that tells you that you can get isolated and scapegoated for the cost of services to which you should be entitled, so I would just like to reinforce that point you're trying to make.

When we talk about this particular bill, the arbitrariness of decision-making is obviously of real concern to you in both the health sector and the other sectors. I think it's important for you to talk a little bit about what you've heard from the members of PUSH, people who have for the most part felt themselves to have been exploited and indeed oppressed by the majority, by the dominant community, in the past, and how you see this as being a return to that.

Mr Balcom: Keeping in mind, as we've been saying throughout our presentation, that we are already marginalized—that's a historical fact—and looking back over history, and again, this is in a generalized sense, access to information is critical for everybody, whether able-bodied, disabled, it doesn't matter. When you look at the way the omnibus legislation is set up to make decisions unilaterally that deny access or potentially deny access to information and decision-making, the impact on us specifically as a minority is enormous, and I don't think I'm ringing too many alarm bells personally here. I'm thinking in terms of scapegoating, in essence blaming the victim, if you will.

Mrs Boyd: Because in each of these instances the ability to pay is less—enormously less, statistically—for people who are in the category of being disabled than it is for the regular population. So each time there's a regressive tax, each time there's a pay-for-service—

Mr Balcom: The impact is even greater.

Mrs Boyd: The impact is duplicated and magnified for your group.

Mr Balcom: Exactly, and user fees specifically. Again, I'm thinking back to an earlier presentation by the taxpayers' coalition. I can see it, because we've been there before. This is not new; we have indeed been here before. When you look at the possibility of plebiscites for user fees and the response that's going to have, the impact on us I would argue is 10-fold when you look at the potential number of user fees we would have to be dealing with. That's another major concern.

The Chair: Thank you both very much for coming forward today and making your presentation to the committee.

CITY OF LONDON

The Chair: Could I please have representatives from the city of London come forward. Good afternoon and welcome to the standing committee on general government. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and response from the three caucuses. I'd appreciate, before you begin your presentation, if you'd read your names and organization into the record for the benefit of committee members and Hansard.

Mr Grant Hopcroft: My name is Grant Hopcroft. I'm deputy mayor and, today, acting mayor for the city of London. I'm joined by Controller Dawn Erskine, who will be assisting me in making the presentation today.

I'd like to begin by thanking the committee for making time during your lunch-hour for the city of London to bring forward our views on this issue, and I'm pleased to see so many colleagues around the table who I know have a great deal of experience and empathy for the views of municipal government in this province.

Mr Cooke: It depends on what you have to say.

Mr Hopcroft: I'm sure there will be something for everyone in our presentation.

I'd like to begin by acknowledging that for some time the city of London, along with other municipalities, has been asking the province for more control and say in how we run our communities and how we spend the dollars that come to us. We're grateful that the government has elected to finally address those requests for such things as increased flexibility, increased taxation powers and the broadening of licensing and user fee authority, although our enthusiasm is somewhat limited by the knowledge that the government will be transferring far fewer dollars to the city of London in the coming years, approximately $16.2 million less this year and perhaps another $6.5 million less next year.

Our enthusiasm is also limited by the knowledge that while granting as much of the authority that has been requested, the prerogative is being taken by the minister to rescind the authority intended to be transferred to us. As well, we do not support the authority being given to the minister to unilaterally restrict the licensing authority of particular municipalities, nor are we supportive of the ambiguous wording of the increased taxation powers ostensibly granted to municipalities in reference to direct taxation.

In the context of extreme cuts in funding. more power and more say over matters such as those addressed in Bill 26 will be absolutely essential if we are to be able to serve our taxpayers responsibly in 1996 and beyond. While Bill 26 opens the door to more control, we have concerns that we believe must be addressed before the legislation is passed.

In general, many of our concerns pertain to the clarity and definitions in the bill. We believe it's important that our autonomy as a level of government be made very

clear, with fewer grey areas or opportunities for arbitrary provincial intervention. This is important so that we may make decisions with some degree of surety that they will be binding and sustained.

Having addressed these general concerns, we would like to bring some specific issues to your attention.

The dissolution powers over boards is one of the areas the city of London, and indeed AMO, believe are essential to our ability to manage effectively and efficiently in the future. This means having control over local bodies such as library boards, hydro boards, and particularly police services boards. There is no valid reason to treat police services boards any differently than other boards. Furthermore, the power to appoint to these boards should rest in the hands of municipalities, along with the power to dissolve.

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We understand that the government will be reviewing the role of the police services boards in the province in the context of an overall review of the Police Services Act. As that review is taking place during our 1996 fiscal year, we ask that the province keep in mind our immediate need for flexibility in spending powers. We believe it is essential that there be no delay in turning over control of police budgets to municipal governments. The police budget in London represents 20% of our locally derived taxation revenue, and in these times of fiscal restraint it is inconceivable that we would not have control over such a large block of our revenues.

I'd like to now ask Controller Erskine to deal with our submission on user fees.

Ms Dawn Erskine: With regard to business licensing, subsection 257.5(1) states, "The minister may make regulations exempting any business or class of business from all or any part of a business licensing bylaw of a local municipality under any act, and imposing conditions and limitations on the powers of a local municipality under this part."

In essence, we see this provision as allowing the minister full and arbitrary discretion to remove the authority that has been given to municipalities, with no definition as to the criteria or principles that would be used to exercise such discretion. We believe such unfettered discretion is unnecessary and inappropriate. This discretion should remain with the local, elected and accountable municipal government. At the very least, the criteria should be clearly and properly defined, and municipalities such as the city of London must be part of the consultation process to determine these criteria.

We are also alarmed to see, in subsection (2), that "A regulation under this section may be retroactive" for a period of up to one year, and that municipalities, again at the sole discretion of the minister, may be required to return licence fees collected during that period. We do not wish to find ourselves in a situation where after issuing a licence, collecting that fee and perhaps even closing our books for a certain year, we must now not only reopen our books but be forced to return revenue that has been allocated and spent.

While we were led to believe that this province was about to give municipalities broad new powers to impose user fees, we now see that the minister will have the power to prohibit certain of such fees. Subsection 220.1(10) reads:

"The minister may make regulations,

"(a) providing that a municipality or local board does not have the power to impose fees or charges under this section for services or activities, for costs payable for services or activities, for use of municipal property or on the persons prescribed in the regulation;

"(b) imposing conditions and limitations on the powers of a municipality or local board under this section...."

This has the appearance of the province giving with one hand but holding the threat of taking it back on the other hand. We believe that Bill 26 should spell out the circumstances under which the minister would make such regulations so that we clearly understand what user fees are acceptable and those which are not. Again, we request that municipalities be consulted as these circumstances are being defined.

Mr Hopcroft: Schedule Q of the bill makes reference to boards of arbitration giving consideration to an employer's or a municipality's ability to pay when making a decision or award. We request that it be clearly and further defined to specify that the consideration of ability of pay be based on an assumption of no tax increase and no cuts to service. Without that quantification of an employer's ability to pay in light of its fiscal position, municipalities may find themselves victims of unilateral and perhaps unrealistic decisions by boards of arbitration.

We would also request that the criteria for decisions include a comparison of employees not only in the broader public sector but in the private sector as well. The public have made it clear that in the future they expect public service workers to be compensated in a manner that reflects the reality in the private sector as well.

In so far as the provisions for direct taxation are concerned, subsection 220.1(3) provides for "fees and charges that are in the nature of a direct tax for the purpose of raising revenue."

The committee is aware that there has been a great deal of speculation as to what's to be included in direct taxes and what isn't. As a municipality, we need to be given the broadest possible taxing powers. In any event, it is imperative that the powers given be clearly defined. The legislation should provide clear direction as to what will and will not be allowed. This clear direction will save us a great deal of money and time in seeking legal opinions and advice on the interpretation of the wording. If we will be permitted to charge a gasoline tax, please say so. If a sales tax is a possibility, we need to know.

In conclusion, the city, like all municipalities, faces a very great challenge in the coming months and years as a direct result of provincial government funding reductions. We appreciate the deficit-cutting motives behind those cuts, but we are distressed to find such a large burden being passed from the province on to the backs of municipal taxpayers through increased user fees, taxes and/or service reductions.

The powers we are requesting today, and those which have been requested in the past, will not be the entire solution to the problems being created by such drastic

cuts. These powers none the less are essential to us as we explore and put in place new methods of cost savings and revenue generation. We fully expect to be treated as equal partners in the decision-making process that will so radically change the way we operate, and respectfully remind the government that municipalities have been assured by Minister Leach that he will treat us as partners. More consultation is necessary, and representatives of the city have a great deal to offer in discussions on some of these issues.

We would support a four-week extension to the public participation process for Bill 26, except for those portions dealing with enhanced licensing powers, expanded taxation and user fee authority, dissolution powers over local boards—

Interjection: You don't want much.

Mr Hopcroft: —and realistic interest arbitration awards. That is the majority view of our council. In the same way the government has committed to working with the Association of Municipalities of Ontario in the move to formulate a new Municipal Act by year's end, we fully expect that the government will continue to consult municipal governments on issues in the omnibus bill that are important to us. We are ready, willing and able to be part of the solution, and we fully expect to be involved.

I'm quite prepared to answer any questions that members of the committee may have, Mr Chair.

The Chair: Thank you. We have six minutes per caucus, starting with the opposition caucus.

Mr Gerretsen: This looks like one of these documents that was written by council where there's a little bit for everybody. But be that as it may, you and I have been involved, or at least I in my former life, with AMO for a lot of years, and the argument always was, "Give us more power." Would you not agree with that as far as the province is concerned?

Mr Hopcroft: Exactly.

Mr Gerretsen: Exactly. And so the tradeoff this time was: "You're getting a lot less money over the next two years. Your grants are being cut in half. You're getting more powers." Now, you would like to have as many powers as possible when it comes to direct taxation. Would you not like gas taxes, income tax, sales tax? Is that not your understanding, that those are the powers the municipalities would like to have in order for them to do the job they're elected to do?

Mr Hopcroft: Exactly, either through direct transfer or delegation of those powers or through revenue-sharing.

Mr Gerretsen: Right. And although the minister has said in the House over the last three months, "I'm all in favour of more autonomy for municipalities"—he's said that on at least a dozen occasions—he now says, "Well, maybe it doesn't mean a head tax or a poll tax or a gas tax or an income tax." He's sort of hedging it, isn't he? He's sort of trying to have it both ways.

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Mr Hopcroft: It would appear that there's not any clear direction as to what's going to be permitted and what isn't. We would very much like to see clear directions as to what is permitted, and we would like the broadest possible flexibility.

Mr Phillips: Just to follow up on that, because we're being asked to approve a bill here, many of the mayors who have come before us have said: "We can hardly wait for this bill to be passed. We have so many fees that we think we can impose that we need this bill passed very quickly." In fact, your comments last night, if the Free Press is correct, indicated that you even think waiting four weeks is beyond what you'd like to see happen. I think also you've indicated that at least you are supportive of this bill ensuring that it provides direct taxes: gas tax, I gather, and perhaps sales tax.

My question really is this, if I've interpreted you right. Can you confirm, at least from your perspective, what your direction to us would be, to spell out that this will permit a gas tax or a sales tax?

Secondly, I gather that the city of London has had its grants cut by roughly $15 million. Can you indicate the sorts of fees that the city of London anticipates implementing to begin to make up that shortfall?

Mr Hopcroft: There has been speculation on a number of different fees. Fees for garbage collection are an obvious one and one that we probably already have the authority to do, as many other municipalities have done around the province, many much smaller than London.

I think what we're looking at is just the broadest possible flexibility so that for those services where user fees can be helpful in either raising revenue or controlling demand for services that are maybe not allocated in the most efficient way, we would have the ability to do that.

Our council has looked at a variety of different user fees, but as to taking a position in support of one or another, I think it's fair to say we certainly would enjoy sharing the gasoline tax with the provincial government because municipal roads are a very large proportion of the roadways in this province and without those roads the gas tax wouldn't be there.

Mr Phillips: You would like a gas tax?

Mr Hopcroft: Gas tax is an obvious one.

Mr Phillips: And sales tax?

Mr Hopcroft: Sales tax is one where we haven't really looked at anything beyond some earlier submissions on revenue sharing. I think we have to be very careful, because those taxes are regressive, that they're not overdone. I think we have to be careful that a user fee is seen in a very transparent way as being directly related to a service so that those who use it are paying and those who aren't using it see some tax relief in the longer run.

Mr Phillips: I gather that the city council or you personally were so anxious that it be passed that you didn't want to delay it for four weeks. I guess the council has debated some fees that you're planning to implement and that you'd be ready to go, instead of February 1, March 1. Is that why you personally are so anxious for the bill to get through?

Mr Hopcroft: We're in the process of our budgets coming forward. We probably won't see our budget at the political level for another six weeks to eight weeks, but at the administrative level we need to know what tools we're going to be able to use so that we can work on those.

Time is so short and the amount of money we have to deal with as far as changes to our budget is so great that the more lead time we have the better. We can't afford to be wasting time on opportunities that may be foreclosed to us. That's one of the reasons why we have some serious concerns about the arbitrary powers to take away by regulation what's being given to us in the bill.

Mr Phillips: Gas tax being helpful.

Mrs Boyd: I think you certainly have pinpointed in a very clear way some of the very strange "giving with one hand, taking with the other" aspects of this bill. If your document purports to have a little bit for everybody, Bill 26 does too, until you start to get into the detail of it.

I'm interested in your comment on page 7 around ability to pay under schedule Q where you're saying you would like the government to clearly and further define again this ability to pay aspect: "to specify the consideration of the ability to pay be based on an assumption of no tax increase and no cuts to services."

Someone read out your Internet boast about London being already 24% less taxed than most other cities its size in the province of Ontario, and we've certainly heard from presenters here and in other fora that the level of services offered to people in London in the area of child care, for example, or Paratransit or some of the other essential services to people, is considerably less than for cities in a comparable kind of situation.

So I'm curious. You want these two assumptions to be there and that would then perpetuate the status quo in a way that certainly many of the groups who are served by services provided by the city would feel would just multiply the kind of lack of service in the community. I'd like your comment on that.

Mr Hopcroft: First of all, I would dispute the lower level of service in many areas. I think far too often people equate level of service with per capita spending or the amount of money in gross dollars being spent, and the issue of efficiency really isn't covered in those things.

Marion, you would be well aware of how much money this community saved by tendering our Paratransit contract in a different way than we had previously. We saved over $1 million a year without changing the level of service. I think that's important to bear in mind. So on level of service, I don't accept that we have necessarily a lower level of service. In some areas we do, and I'm quite prepared to admit that, and that's been a local decision.

As to the level of taxation, while we certainly prided ourselves on being a very efficient operation municipally, when one considers taxes, user fees, sewer and water charges and a number of other factors, in fact some of the advantages that we have aren't quite as apparent when you look at the total picture.

Mrs Boyd: Grant, you ought to put that on the Internet.

Mr Hopcroft: That's for others to point out if they feel they can justify it. We're on the Internet to sell our city and to attract investment and jobs for our citizens. I'm not going to get into that kind of argument, other than to say that while we certainly run things efficiently, our taxpayers expect us to continue to do better and to make the best decisions we can for the local circumstances.

Mrs Boyd: One of the issues around user fees is their regressive nature and the regressive nature of things like sales tax and gasoline tax, for example. Part of that Internet information talks about the average income in London being extraordinarily high, $51,000. We know that masks the fact that there's a huge gap between those who are low-income and those who are very well off in our community. That gap is particularly marked in a city like London because of the demographics we have.

Would you not agree that shifting the burden of paying for services to user fees and a regressive tax system, as is suggested by Bill 26, will simply widen that gap and provide fewer and fewer services for those who are at the lower income level?

Mr Hopcroft: Along the lines of something for everyone, I suppose in some cases that would be true; in other cases I think it would be exactly the opposite. I think that for someone who's living frugally, who puts out a bag of garbage every two weeks, a user fee for garbage would in fact give them tax relief and cost them less money than paying for the wasteful habits of some of their neighbours.

So in fact it depends on the service. You can't say user fees are good for everything, because they aren't. There are some things that should, at least locally here in our community, remain free of user fees and should be supported by the general tax base. There are others that doesn't apply to.

The Chair: If we could move to the other caucus now.

Mr Bob Wood (London South): I'd like to ask the deputy mayor or the controller a question. Before I do, I'd like to say I'm pleased to see that you support the general thrust of this legislation and I'm even more pleased to see that you've got the strong message the voters have given us, which is that they want better value for their tax dollars; they want more service at less cost.

Now, I don't usually offer money-back guarantees in politics, but I'm going to give you a money-back guarantee. I guarantee you will not be allowed to impose an income tax, you will not be allowed to impose a sales tax and you will not be allowed to impose a gas tax.

Mr Cooke: Or you will resign.

Mr Bob Wood: So you can take that off—

Hon Mrs Cunningham: Or Cooke will resign?

Mr Bob Wood: The money Mr Cooke has paid me he'll get back.

The Chair: Order, please.

Mr Bob Wood: I will give you a money-back guarantee that you are not going to be allowed to impose those. Now, you do make a good point that further definition is required. I would ask if you would be prepared to work with the ministry to assist in any refinements you think are needed as to legislation, if you think that's needed, or guidelines to give clarity.

The reality is—I'm going to let you answer this—the minister is indeed not going to give a blank cheque to any municipality. You are going to be subject to the guidance of the ministry. That's the way it's always worked and that's the way it's going to work. It's important that this not be missed.

Having said that, I understand what you are saying in terms of having as much clarity as possible up front. Is the city prepared to work with the minister and the ministry to assist in clarification of legislation where you think it's needed and in respect to guidelines where you think they are needed?

Mr Hopcroft: The answer is yes. And municipalities have never asked for a blank cheque. We've simply asked to be recognized as a legitimate level of government, elected the same way you people are.

Mr Bob Wood: I think that's exactly what you've got in this legislation and we're glad to give it to you.

Hon Mrs Cunningham: On the point that Marion just mentioned with regard to "the minister will control." Which pieces of this legislation and what examples can you give us of what you're really concerned about, other than the user fee part, because I think we've all agreed we're going to discuss what that list should look like.

Mr Hopcroft: That list should be determined locally. That's what we're asking.

Hon Mrs Cunningham: Yes, okay, but you've already said you'll consult with us on that.

Mr Hopcroft: I said we're prepared to consult with the government to make sure there's clarity in the legislation so we're not wasting time going down deadend paths between now and when we cast our budgets.

Hon Mrs Cunningham: All right. Do you agree with my colleague then that income, sales and gas taxes are not the purview of municipal government?

Mr Hopcroft: At the moment they're not.

Hon Mrs Cunningham: The legal opinion that was filed basically talks about fees or charges to taxpayers where municipalities are not directly involved: a sales tax, for instance, or gas taxes. That is a legal document that was filed with this committee at the request of the opposition. Surely you wouldn't argue that you want to charge an income, sales and gas tax. Is that what you're saying?

Mr Hopcroft: I'm suggesting that as a level of government we should have access to those taxing powers because I think we provide services that are very important to the public.

Hon Mrs Cunningham: So we'll have to write that in the legislation if we disagree for any reason. Is that what you're saying?

Mr Hopcroft: Yes.

Hon Mrs Cunningham: Okay. Just to make that clear.

Mr Hopcroft: But we would like to see the broadest powers possible.

Hon Mrs Cunningham: Now at the same time—

Mr Hopcroft: And I guess, to clarify, what we want is clarity in the legislation so that we're not going down a road looking into the feasibility of imposing a tax locally and then finding after we've invested time and effort and not looked into other options, having that precluded by a legal opinion that comes along later or a regulation that precludes it.

Interjections.

The Chair: Order, please. You've had your opportunity. Mrs Cunningham.

Hon Mrs Cunningham: I think all of us agree, certainly from the city of London's point of view, for those of us who have been involved with the city, they have demanded over a period of time through AMO, as John mentioned before, as has the city of Kingston, that there be more authority for the municipalities, that they want more powers to govern their own city.

That's what we're attempting to do here, but I think in fairness I'm assuming that you're not really sitting here and saying you want it all. There has to be some common sense around what can happen with regard to taxation in the province. I'm just making the assumption you would agree with that.

The Chair: Unfortunately, your time has expired.

Mr Hopcroft: The answer, Dianne, is that we want the broadest possible taxing powers as a legitimate level of government responsible to taxpayers in the same way that other—

Hon Mrs Cunningham: I think the government has discussed the possibility and it is clear to the public of Ontario.

Interjections.

The Chair: Excuse me, ladies and gentlemen. I thank you for coming forward today and making your presentation to the committee.

Committee members, some quick housekeeping announcements. Mrs Cunningham, Mrs Boyd, Mr Silipo, can we have some order, please. We will now break until 1:10 for lunch. I hope everyone got that: 1:10 sharp.

Housekeeping: Please speak to the bell captain about luggage and identify whether you're driving or on the bus, because the driver will be loading luggage the same as yesterday. So if your luggage is in there and he doesn't know that you're driving he may be loading it on the bus. Thank you. We'll see you at 1:10.

The subcommittee recessed from 1235 to 1308.

LONDON AND MIDDLESEX ONTARIO ENGLISH CATHOLIC TEACHERS' ASSOCIATION

The Chair: Good afternoon. We have representatives from London and Middlesex OECTA unit. I'd like to welcome you to the standing committee on general government. You have 30 minutes today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd start off by introducing yourselves for the benefit of committee members and Hansard.

Mr Tony Huys: Thank you, Mr Chair. My name is Tony Huys and I'm accompanied by Sheila Brescia, our unit president, and John Mombourquette, a member of our political action committee.

I thank you for this opportunity and welcome the chance to address some of the concerns we have regarding Bill 26, and we have a number of them. The too-short time period of public hearings for so comprehensive a bill forces us to select and limit our comments to four principal areas.

The first of these is the process by which Bill 26 has been handled by this government and, more significantly,

the power it will concentrate in the hands of cabinet or place otherwise beyond the scrutiny of Parliament, a process that threatens to undermine the democratic tradition as we have come to understand it.

A second concern is with the environmental legacy that Bill 26 promises for the students and children of Ontario.

A third concern is the ambiguity around school board governance implicit in Bill 26, schedule M. We feel it needs to be cleared up.

Finally, the implications for public sector bargaining are at the very least ominous and, in the view of our most experienced bargaining agents, a very serious erosion of free collective bargaining.

Limiting our express concerns to these four areas must not be construed as support for other provisions of Bill 26. By way of example, we are distressed by the effect of removing the proxy provision from the Pay Equity Act.

We are deeply concerned about proposed changes to the health package of the omnibus bill, a package that will ease the way for American-style health care systems in Ontario; that will deregulate drug prices, a move widely seen as leading inevitably to higher prices; that will ease the way for user fees and facility fees; that will ease the way into Ontario of for-profit American clinics, a decision once taken made irreversible under NAFTA; the concentration of unprecedented powers in the hands of the Minister of Health to close or amalgamate hospitals or specify services they may provide; granting the Minister of Health access to patient records.

We believe that the case for greater efficiency and overall cost savings has not been made for some of these measures, but in the interests of time, we must trust other presentations to elaborate these concerns.

Let me address the first of the four concerns that we identified: undermining democratic tradition. Bill 26, the Savings and Restructuring Act, is quite simply too big and too fast. In fact, it's so big and so complex and so far-reaching that Robert Sheppard of the Globe and Mail has dubbed it "the bill that ate Ontario." It's 211 pages long, has 400 clauses and contains 17 schedules for amending or enacting 47 separate statutes. By comparison, it dwarfs the free trade agreement of 1988, a mere 123 pages, 153 clauses and 27 statutes, and yet considered by most accounts a vast and complex omnibus bill in its own right.

Someone has calculated that merely to read the bill, the 2,200-page-plus compendium and the affected statutes at a rate of two minutes per page would require nine eight-hour days. We are therefore inclined to agree with William Walker of the Toronto Star that "the vast majority of Ontarians haven't a clue about the extraordinary powers the Tories are fashioning for themselves."

Thomas Walkom in the Toronto Star speaks of this centralization of power as unsurpassed in this province, a view echoed by the Toronto law firm Sack, Goldblatt, Mitchell, which flatly claims that Bill 26 proposes to give, and I quote, "unconstrained powers to make decisions affecting the delivery of public services, and that in many cases these decisions could be made by regulation, ministerial direction or administrative order without parliamentary debate or meaningful opportunity for public scrutiny."

The teachers of our unit, like most Ontarians, need an adequate opportunity to consider and digest this omnibus bill.

Related to our concern over the size and speed of this juggernaut bill is a suspicion about the true intent behind some of its provisions. The Office of the Premier, in a press release of November 29, touts the Savings and Restructuring Act as, and I quote, "legislation to provide the tools to help municipalities, hospitals, colleges, universities, schools and the provincial government to meet the new financial targets announced earlier by Finance Minister Ernie Eves." Why, then, does this omnibus bill contain provisions that in some cases increase costs and in others bear no discernible relation to that stated objective?

As teachers, we are interested in the illustrative model, the analogy. We believe that a comparative look at New Zealand is highly instructive here. Roger Douglas, the architect of New Zealand's transformation into the kind of economy this government appears to be emulating, advised the Reform Party convention in western Canada two or three years ago as follows: "Above all else, do not reveal your true agenda. Once elected, move fast on all fronts—a sort of legislative blitzkrieg I think he was advocating. Keep the opposition scrambling to respond. Then in the latter part of your term of office, build what he called a retroactive consensus, blame TINA, there is no alternative.

The Conservative Party campaigned on a promise of getting government out of people's lives. Did that really mean getting government out of people's sight? By way of illustration, on the day the omnibus bill was introduced, the sponsoring Ministry of Finance was specifically exempted from an Environmental Bill of Rights provision that any bill or regulation having "a significant effect on the environment" be posted on the environmental registry for at least 30 days of public comment.

Is it merely an astonishing coincidence, or are there buried in the omnibus bill changes that would not fair well in the full glare of public debate? If this bill really is the tool this government claims to need, then that will stand up to such debate. We urge the government to break up this omnibus bill into more manageable sections and to extend the period for debate and public input. Teachers trust that the people of Ontario have enough common sense to sift the wheat from the chaff. That is our experience of democracy.

We are concerned secondly about some of the environmental implications, and I've spoken indirectly to those in some of the remarks above. Specifically, amendments to the Mining Act under schedule O allow companies to avoid public scrutiny of their mine closure plans. According to one analysis, companies accounting for 90% of production capacity in Ontario will now become self-policing. The great fear, of course, is that history will repeat itself, that some operators will simply walk away from serious environmental problems and leave Ontario taxpayers to shoulder the eventual costs of cleaning up. The claim that this plan is a necessary tool for attacking the deficit rings false.

The same must be said for those changes proposed under schedule N. At a time when teachers are incorpor-

ating environmental awareness and the notion of stewardship into the curriculum, are loggers, miners and others to be given freer rein to exploit and despoil Ontario's natural heritage? We ask this government to delete schedules N and O from the omnibus bill.

Our third concern, and perhaps a relatively technical one—we're not sure—involves school board governance. Changes to the Municipal Act under schedule M, section 8, enable municipal councils to dissolve or prescribe changes to local boards with the regulatory support of the minister. A subsequent bylaw in schedule M dealing with fees and charges specifically excludes school boards and hospital boards from the definition. In other words, they are not allowed to levy charges or fees.

The bylaw referred to earlier, dealing with dissolution, makes no such distinction; and this ambiguity is quite extensively discussed in provincials briefs, so we will not repeat all of those points here, but we do reiterate the recommendation made there that school boards be exempted from the definition of a local board throughout section 8.

Finally, and perhaps our gravest concern, is with public sector interest arbitration. For three reasons, sections 35 and 47 of the School Boards and Teachers Collective Negotiations Act, commonly referred to by teachers as Bill 100, as outlined in schedule Q, are of greatest direct concern to teachers.

First, arbitrators are instructed to consider "the employer's ability to pay in light of its fiscal situation" as well as "the economic situation in Ontario and in the municipality or municipalities served by the board."

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Historically, arbitrators in the Canadian public sector have rejected the ability-to-pay argument as unreliable. At the very heart of that reasoning lies the notion that employees in the public sector cannot be expected to subsidize, through lower compensation, a level of service for which society is not prepared to pay. Arbitrators have relied instead on the notion of comparability. Under it, community standards of compensation, as determined through the free collective bargaining process—the marketplace, if you will—are used as the standard against which public sector wages are measured. This appears remarkably close to the economic situation in Ontario and in the municipality provision now proposed in Bill 26 and begs the question of why that needs to be there at all.

That teachers and boards have recognized and understood the community standard economic situation criterion is clear on the evidence. In the two decades since Bill 100 has governed collective bargaining, 97% of local agreements have been reached without sanctions being invoked. Conversely put, the 3% that did not is the statistical equivalent of random chance. Bill 100 has served Ontario well. Bill 26 threatens to change that.

Imposing ability to pay handcuffs the arbitration process and disregards well-established precedents for determining fairness in arbitration awards. Bill 26 effectively lifts society's obligation to weigh demands for public services against preparedness to pay. To say that this will destabilize the bargaining climate understates the case. Teachers fear that they will be coerced into subsidizing public education by an arbitration process tilted against them.

A second reservation about changes to this section concerns the insertion of a new clause directing arbitrators to determine the extent to which services may have to be reduced if funding levels are not increased. We're very unclear about what that means. Does it mean that arbitrators, not educators or parents or students, could decide the fate of educational programs or services? If so, what criteria does an arbitrator use? Will they actually visit the school or community affected? How will they determine need?

Our third and final concern with this section is that arbitrators are now instructed to consider the employer's need for "qualified personnel." In other words, an arbitrator is obliged to consider replacing professional teachers with uncertified staff. We remind members of this committee that this government has shown great determination to press ahead with the establishment of the Ontario College of Teachers. Against that background, this instruction to arbitrators is astounding.

A major part of the college's mandate, according to The Privilege of Professionalism, the report of the College of Teachers' implementation committee, is "to support teachers in developing a comprehensive personal education plan that continues throughout their careers." Bill 31, the Ontario College of Teachers Act, puts very real teeth into that objective. The registrar is empowered to suspend the certificates of members who fail to meet the ongoing education requirements.

Now on the other hand, should an arbitrator's ruling result in a teacher being replaced by someone not certified, not qualified and not a member of the College of Teachers, then there is no concern that such individuals be accountable for developing and registering a professional development plan. Astounding.

For this reason and those elaborated above, the amendments to the School Boards and Teachers Collective Negotiations Act are ill advised and we urge that they be deleted in their entirety from schedule Q.

In conclusion, the teachers of London and Middlesex OECTA are not indifferent to the public's concern over debts and deficits. We are, after all, very much a part of that public, and we are certainly no strangers to restraint. Dating back as far as Premier Bill Davis, the Premier who brought in Bill 100, we have frequently bargained under some form of official fiscal restraint. Some of us remember 5-and-5 and 1-and-2 and 1-and-1 and 2-and-1 and whatever, and we certainly all remember minus 4.75. Under 20 years of so-called free collective bargaining, half of those have been spent under some form of official restraint. We're not unfamiliar with the notion.

What we ask is that this government engage in true and open democratic debate and place all of the tools available before the people of Ontario. As teachers, we remain convinced of the wisdom of such an educational enterprise. We thank you for the opportunity to present our views and welcome any questions.

The Chair: Thank you. We have a little more than three minutes per caucus for questions, starting with Mr Cooke.

Mr Cooke: I just have a couple of questions that I'd like to ask the delegation. First, it's very clear that school boards are part of the section of the legislation that

allows municipal councils to dissolve boards, and we gather from the minister it is the intention that a regulation will be set up that will exclude certain boards in a community from being part of that power that a municipality has. Number one, do you agree with me that school boards should be specifically excluded in the legislation, unless we're going to have a debate in the province on whether municipal councils should run the school system, which would be a major province-wide debate on its own?

Second, specifically with yourselves in the Catholic community, do you believe, as I believe your provincial organization said when they appeared before us, that this section of the law is clearly unconstitutional, that the Catholic community is guaranteed Catholic governance of the system and this legislation cannot offer the opportunity to remove that governance?

Mr Huys: You've summed up our view very, very precisely. We concur.

Mr Cooke: Are you considering, if in fact this legislation goes ahead as is, whether there will be a constitutional challenge to this legislation?

Mr Huys: Yes, there will be, through our provincial office, not London-Middlesex.

Mr Cooke: Yes, of course, with your provincial organization.

The other thing that I would like to raise with you is this whole question of arbitration and ability to pay, because I think it's very difficult for the public to understand why this is such an unreasonable amendment. I'd like to just put to you a scenario that I was confronted with when I was Minister of Education and ask you whether this has happened to any of your affiliates that you might be aware of. We had a particular board which set its mill rate at the beginning of the year and decreased its mill rate on the assumption that it was going to achieve a certain wage level in negotiations. There ended up being a strike, and there had to be back-to-work legislation.

If we had ability to pay in the arbitration legislation of the province, that would mean that basically a board could reduce its finances for salaries and then go to an arbitrator and say, "Well, we've only budgeted the following amount, so there has to be a 5% reduction in salaries."

Mr Huys: Precisely. You may be thinking of a board, an experience I am familiar with of a few years ago. That's precisely what would happen, and that's precisely what we're afraid of. I would refer members to the Public Attitudes Towards Education in Ontario survey put out by the Ontario Institute for Studies in Education every two years, starting in 1979. Since 1979, in answer to the question "What would you like to see happen to government spending for the following purposes: education...," the trend has been that the public would support an increase in taxation, not just an increase to keep level with inflation but an actual increase in taxation, provided it is targeted expressly for education. The support for that has gone from 35% in 1979 to 54% in 1994. Conversely, the decrease—

The Chair: Thank you. Sorry to interrupt, but we have to divide the time between each caucus, and we're into the next caucus's time. The government caucus, Mr Young.

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Mr Terence H. Young (Halton Centre): With regard to your concern that school boards be exempted from the definition of "local board," would it satisfy your concerns if that was addressed by regulation or in the legislation itself?

Mr Huys: I'm not sure I understand fully the implications of that and I would be reluctant to comment on it without a better understanding of that.

Mr Young: Your comment where you say that you don't want a situation happening where employees subsidize through lower compensation a level of service in education: Are you suggesting that's happening now in education?

Mr Huys: I would suggest to you that it has happened at various times in the past and I would suggest to you that this legislation allows that to happen.

Mr Young: I think most people, especially people like myself with children, want teachers to be well compensated. We want excellent teachers and we want them to be happy on the job. Do you think teachers are well compensated now?

Mr Huys: I trust the bargaining process to decide that, and that's what I'm asking, that there be no restriction placed on the bargaining process.

Mr Young: So right now, at this moment, are teachers well compensated?

Mr Gerretsen: It depends on who you're talking about.

Mr Huys: Which teacher, yes. Ask an increment teacher their view on that.

Mr Young: We have a $100-billion debt in Ontario, a $9-billion deficit. We're spending $9 billion a year on interest. We need everybody to help us, to make suggestions where we can make the savings. Do you have any suggestions?

Mr Huys: Yes. We think that a fair and equitable tax system is certainly one good start. We think that a policy of full employment is absolutely essential. We think that a fairer distribution of the tax burden vis-à-vis corporate tax—

Mr Young: Increase corporation taxes?

Mr Huys: Yes. I don't understand why a great number of Canadian corporations are paying no tax, while my daughter, who makes $14,000 as a waitress, does.

Mr Young: With regard to your comment from the OISE report that the public supports an increase in taxation for education, do you think the public would support an increase in taxation for the increased remuneration of teachers?

Mr Huys: I think I'm prepared to engage in that debate.

The Chair: We've come to the end of the time for the government caucus. The opposition caucus, Mr Phillips.

Mr Phillips: I appreciate your presentation. Just on the fundamental issue of the survival of the school boards, because we know the process a little bit, let me warn you: Never let your future be determined by

regulation. All that is, it goes to cabinet, it's passed, and then it's published in something called the Gazette. You have trouble actually finding it.

The public sector pension people have found a problem because the government tried to pass a regulation taking $250 million out of their pension; they had to go to court to overturn that. So my strong advice to the school boards is, don't let your future be determined by regulation. You have to have the bill amended to specifically exclude school boards from being eliminated by municipal councils through a bylaw.

Right now, the way the act is written, school boards can be eliminated by a bylaw of a municipal council. I guess it's more a statement, frankly. I would just assure you that our caucus will be proposing an amendment to make certain that the legislation excludes school boards from being eliminated as a local board, and I urge you to be very cautious on it.

Mr Huys: Thank you for that.

Mr Phillips: My question is around the arbitration as well. It's very clear what the intent is of the arbitration changes. In fact, the government has met with what are called the credit rating agencies and one of the credit rating agencies said, after the fiscal statement and then after meeting with the government: "Public sector wage control and an increased labour flexibility will likely be a key part of the solution, given the upcoming expiry of the social contract in March 1996. Proposed legislation has been introduced that will guide arbitration awards and wage settlements within the broader public sector. This is a very important mechanism that could offset part of the impact of the reduction in grants."

The government is saying to the credit rating agencies: "We've got a good restraint program in here. Even though we're cutting back on our grants, we're going to pass legislation that will direct arbitrators to make awards that will help to compensate for it." I don't think the government is hiding its motives on this; that's the motive.

We keep being told that this legislation around directing arbitrators is found elsewhere, that we shouldn't worry because the same kind of legislation exists in other jurisdictions in Canada. Frankly, we've been unable to find any examples of similar wording existing anywhere else in the country. We were told, by the way, that at one time, for one year in Ontario it existed and then was taken out because it was found to be unworkable, that at one time it did exist in Alberta and BC and was taken out because it was found to be unworkable. My question to the teachers' group is, in your research have you found similar language that exists anywhere in the country?

Mr Huys: The research that I have read and that I believe is more fully set out in our provincial brief supports exactly what you have said, that this notion existed for a very brief time and was found to be unreliable. The notion of ability to pay was found to be unreliable and replaced by the comparability concept. We have not found, we have not seen—

The Chair: I'm sorry; we've come to the end of your half-hour. Thank you all for coming forward and appearing before the committee today.

DAVID WINNINGER

The Chair: Would Mr David Winninger please come forward. Good afternoon, Mr Winninger. I realize you're probably pretty familiar with the process, but you have half an hour today to make your presentation. You may use the time as you see fit; you may wish to leave some time at the end of your presentation for questions from any of the caucuses. I'd appreciate it if you would read your own name into the record for the benefit of committee members and Hansard.

Mr David Winninger: My name is David Winninger. It's certainly a pleasure to be here today and to see a few of my old colleagues here today.

I'd like to take this opportunity to thank the standing committee on general government for the opportunity to speak to these hearings on the government's omnibus legislation. As a former MPP, I'm aware of the important role this committee has played in the past in conducting public hearings regarding rent controls, automobile insurance and other important topics.

You might well ask why, having spent hundreds of hours on the other side of the table, I would voluntarily subject myself to this. I certainly assure you that I'm not a member of a special interest group, unless you include lawyers as a special interest group. But I think this is a worthwhile occasion to take advantage of, and that's why I asked to be on the list of speakers today.

The scope of this present legislation is positively breathtaking. The provincial government will be able to close hospitals arbitrarily, Americanize our health care system, tell doctors where they can and cannot work, disclose confidential health records, merge municipalities without public input and effect many other changes to public agencies in Ontario.

Municipalities will be allowed to charge user fees for services, and a poll tax; and privatize services, such as water, electricity, transit and sewers, without a referendum, as is currently required.

Free drugs for seniors will end and pollution laws governing mine closings will be relaxed.

Police officers, firefighters, teachers and hospital workers will no longer have their wages fairly arbitrated. Instead, arbitrators will now be implementing the government's agenda of pay cuts by considering the employer's ability to pay, the possibility of reduced services and the economic environment when deciding on wages.

Nothing was said in the Common Sense Revolution about wiping out pay equity for 100,000 of the lowest-paid women working in day care, in libraries, in nursing homes; deregulating drug prices; or decimating our conservation authorities and allowing indiscriminate logging, mining and damming of rivers and streams, where permits were formerly required.

And if you want more information on these adverse changes, the government is now restricting access to it. Only people with plenty of money or access to lawyers will know what the government is doing. The provincial privacy commissioner has said this legislation will threaten the fundamental right of people to know what is happening in their government.

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A bill with this scope and impact demands public hearings, and I am indebted to the opposition parties for forcing some of these draconian changes into the open for all to see. Whatever the party in power, there is a democratic process to be followed which requires firstly that the opposition parties have a meaningful opportunity to study and comment on government legislation, and secondly that the public, to whom the legislators are ultimately accountable, are sufficiently apprised of the contents of the bill such that they are able to express viewpoints both individually and in the collective.

The ostensible reason for passing this bill, more than 200 pages in length and amending 44 acts, creating three new acts and repealing two others, is the implementation of a $6-billion cut in addition to the $1.9 billion in cuts already announced by the Finance minister.

Many question the sagacity of such deep cuts at a time when an unacceptable number of people are out of work. Economic growth is relatively flat and sufficient restructuring has already taken place, leaving very little fat left in the system. Without delivering on a promise of 30% tax cuts, the provincial government could have continued to control spending and, with moderate growth, have achieved a balanced operating budget by 1998. Instead, the present government has elected to slash spending, throwing thousands of provincial civil servants out of work, and removing countless others in the broader public sector. With so many out of work or having reduced purchasing power, is it any wonder then that the economy has come to a standstill? Many in fact are quickly coming to the realization that the present government's promise to create 725,000 new jobs in its mandate is illusory.

Spending cuts by the Harris government could lead to a loss of over 100,000 public and private sector jobs in Ontario this year. There were 495,000 more people unemployed in Ontario last December than there were under the previous government. Transfer cuts alone to hospitals, schools, municipalities, universities and colleges are expected to threaten up to 60,000 jobs. A minimum of 13,000 employees will be fired from the Ontario public service and the Premier has said up to 22,000 jobs are at risk. Young people under 25, who have a rate of unemployment twice that of adults, have seen a program designed to help them jump start summarily cancelled by this government.

Again, is it any surprise, with the unemployment rate stalled at 9.7%, that Ontario has drifted into another recession? This past October, these cuts were blamed for the economy's second-worst month in three and a half years. Just a year ago, growth was racing along at 5%. What's happened here? Well, meaningful opportunities to learn a new trade or upgrade job skills have been withdrawn with the cancelling of the NDP's Jobs Ontario Training program, for example. Ironically, this was a program that removed tens of thousands of people from the welfare rolls and reduced public dependency, placing them in jobs earning an average of $21,000 per year. This program, worthwhile as it was, has been abandoned in favour of workfare or learnfare, forcing those lucky enough to still be on social assistance into menial work that will keep them mired in poverty forever.

At present, there is no effective way of earning back the difference in welfare rates and many in the STEP program have been cut off. Meanwhile, the promised 30% reduction in provincial income tax will go mostly to the top 10% of tax filers. You can see there in a chart where it's set out just how much the rich benefit from these kinds of tax cuts and how little people of average or lower incomes stand to benefit. This 30% cut means the Harris government will slash $10 billion from essential public services, $4 billion more in cuts than promised during the last election. How irresponsible to cut taxes before the budget is even balanced.

There are many corporations still making large pre-tax profits and deferring their tax on profits and paying an income tax rate no greater than 6%; some nothing. Many large corporations have deferred billions of dollars in taxes.

The Angus Reid poll which was released last Thursday showed that two solitudes are emerging in Ontario—the haves and the have-nots. Sixty-four per cent of affluent voters, the poll showed, and 50% of middle-income voters support the government. Only 37% of lower income voters support it. While 64% of men approve of what the government is doing, only 37% of women indicated their approval. When this government states that it has a mandate for change, it should qualify this by saying that a majority of wealthy males support Tory policy.

Our tax system has been favourable to business and Ontario has continued to attract new investment, given our well-trained, educated and motivated workers, our transportation corridors for delivering goods and services just in time, our markets, our social services, including quality education, health care and our social safety net.

In 1993, after the proclamation of Bill 40, Ontario experienced the lowest number of work days lost to strikes on record. In 1993-94, new private sector investment in Ontario was up $53 billion and a total of 178,000 new jobs were created. In 1994, for example, there was $8.8 billion in new private sector investment in the highly unionized manufacturing sector, the most for any year in the history of the province.

However, once this present government has gutted health and safety protection, environmental regulations, child care, long-term care for seniors, the drug benefit plan, social housing, rent controls, access to job training, labour legislation, protection for laid-off and older workers, employment and pay equity, advocacy for the vulnerable and disabled and what we thought were core services in the education and health sectors, what will be left in Ontario worth preserving?

The increase in poverty, loss of jobs and downward pressure on wages, combined with cuts to social service agencies which serve troubled communities and troubled families, will increase pressures on children's aid societies, the justice system and health care clinics as we see more crime, more violence, more substance abuse, more family violence, more school dropouts, suicides and other fallout from these heartless and unnecessary cuts, these measures, which in themselves result in a loss of productivity, lower educational attainment and an increasing need for government assistance. This will increase

dependency rather than breaking the cycle of dependency as promised in the Common Sense Revolution.

New Zealand is a textbook example. As Murray Dobbin observed on the Ideas program on CBC Radio recently, New Zealand's actions to deal with its alleged debt crisis and become internationally competitive is not a model for Canada and not, as Ralph Klein of Alberta has said, the wave of the future. "'Some wave, some future,' says Dobbin. 'More like a tidal wave of cutbacks, elimination of rights for workers, increased privileges for the rich and a handover of crown corporations to private corporations.'"

There is of course another side to the story: the highest suicide rate in the world, 26% child poverty, one of the highest violent crime rates in the developed world, a huge increase in the gap between rich and poor, as we're seeing in Ontario and south of the border, and a lot more.

What does New Zealand have to show today following these massive cuts to social programs, the introduction of user fees, deregulation, reduction in taxes for the country's wealthy élite and privatization? New Zealand's poverty levels have now increased to 40% as social programs were cut, causing violence, ill health, depression and a youth suicide rate which has doubled since 1985 when these reforms were introduced.

To compound these problems, New Zealand's debt levels haven't decreased. In fact, the public debt has grown from $22 billion in 1984 to $46 billion in 1991.

Now unemployment in New Zealand is officially 9.5%. Some people say that the present rate is as high as 16% there. Before New Zealand's Common Sense Revolution, its unemployment rate was 4% in 1984.

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Trickle-down economics have not worked in New Zealand, in Thatcher's England and in Ronald Reagan's America. The impossible combination of tax cuts and the promise of balanced budgets that Newt Gingrich promised to win a Republican majority in Congress will devastate urban life, striking the hardest at the old, the very young, the poor and the sick. How can such economics possibly succeed in Ontario when, if there ever were mega-deficits, Ronald Reagan created them?

The middle class should not be lulled into thinking that they will be immune from the effects of these cuts. The termination of special relief to municipalities with extra high welfare caseloads, the elimination of fully paid child care spaces, road allowances and other transportation subsidies and capital expenditure will shift the full load on to the property tax and, in London's case, the water rates. There may be user fees for a variety of services, including snow removal, garbage collection—blue box funding, I understand, is gone—library and recreational activities. Even police and fire services could attract extra charges. Public transit will suffer, and community and arts groups could be eliminated entirely in some communities. AMO estimates that once education and municipal cuts are taken into account, the budget would cost every homeowner in the province $250 if they were all passed on in property tax hikes.

In conclusion, I would urge this committee to act as a watchdog to ensure that these unprecedented powers not be given unilaterally to ministers or to cabinet to effect irreversible change by regulation or administrative order without parliamentary debate or public discussion. Further, the Harris government needs to take a sober second look at the long-term damage these spending cuts will have. Postpone the 30% tax reduction and take constructive steps towards creating new trading and job opportunities to get this economy moving again.

If there's a minute or so to read from a letter that a Londoner sent to me, this letter is dated December 11, 1995, and it's addressed to David Winninger, MPP, so he must think that I'm still his MPP. Unfortunately, he's making me take the flak for the Tory agenda. I'll just excerpt a couple of important paragraphs. He says:

"I believe that the Conservative government must protect the workers in this province. Otherwise, the chances of generating a recession worse than the 1930s may result. Let's face facts: Low-paid workers do not buy expensive products like cars and houses. Without buyers, the manufacturing shuts down. Without buyers, the stores close. When jobs disappear, then the tax revenue goes down in a never-ending spiral. The only way to help prevent it is to allow the workers some rights and protection to give them the confidence that the work will still be there next year. I know that cuts are needed. However, the way that the cuts are done should be changed. If this government wants to save money, then why are cuts not made in areas that will not affect jobs?"

This Londoner wrote to me saying, "I should write to you concerning how your government has changed the way that the worker's thought of in this province," thinking that I was somehow affiliated with the Conservative government. He says:

"Why are you as a government, who has no money, constantly eliminating money-making areas of your government, like the photo-radar's $11 million a year to the plus side of the budget? The selling of profitable businesses like the LCBO does not make any sense. Why get rid of revenue-generating areas of government? I know that business people want to buy them, but why should profits go to them when the government needs so much more just to stay even?

"As for the tax cuts, the only people who should receive them are people earning under $50,000. People who earn more than this usually have tax loopholes and investment deductions, while the people below this amount are usually just meeting bills and paying the mortgage. The government may only see the wealthy at their functions, but they need to remember that the majority of people are just barely making a living."

That's the message, I think, that needs to be driven home to this government, and that's why I'm here today, both to speak for myself and also for Londoners like the author of this letter.

The Chair: Thank you, Mr Winninger. We have three minutes per caucus, starting with the government.

Mr Sampson: I just want to speak to your comment about the New Zealand example you gave. I think your comment was—well, I'm reading, "Before New Zealand's Common Sense Revolution, its unemployment rate was 4% in 1984." Well, that's because the government was spending money it didn't have on projects to employ people. It had underestimated the true unemployment rate

in that country and it was well in excess of 4% and was well in excess of the mid-teen per cent. There were estimates that it was pretty close to being 20%. So the fact of the matter was that they were spending public money that nobody had to fool the public that those jobs were there, and that to me is a misleading situation. But let me talk—

Mr Winninger: Why then, given 11 years of restructuring, do they now have an unemployment rate that is over twice that rate?

Mr Sampson: It's not, but the situation is not to fool people that there are jobs there, spending money they don't have. That's the point, and that's what got the country into trouble.

Mr Winninger: New Zealand did exactly what you're doing, and you should learn from their historical example.

Hon Mrs Cunningham: No, they did not.

Mr Winninger: They did. They privatized, they laid off people, they eliminated social programs, they reduced welfare rates. All of these things are being done by your government that New Zealand did, without success.

Mr Sampson: But they are spending money that they have now. And I might point out to you that—

Mr Winninger: Well, you don't know that.

Mr Sampson: I do know that.

Mr Winninger: Why is it then that their deficit, their public debt, has grown astronomically since 1984?

Mr Sampson: I might point out to you that since the time we have taken government, the cost of borrowing money in this province has gone down—dramatically. The difference between what we have to pay as a premium over what the government of Canada has to pay to raise money has narrowed significantly. The number—

Mr Winninger: The cost has not gone down.

Mr Sampson: Are you going to let me finish?

Mr Winninger: If there's been any benefit to you, it's because interest rates have been—

Mr Sampson: Can I finish? Mr Chairman?

The Chair: Mr Winninger, please let the caucus have the floor.

Mr Gerretsen: It's his time.

The Chair: Actually they pick up on caucus's time.

Mr Winninger: If he wants to take up all my time, I hope you'll extend it so that other people can have an opportunity to question me.

The Chair: They will.

Mr Sampson: I'm just pointing out to you that that cost has narrowed significantly. The number is about 30 basis points. On $100 million, it's a sizeable amount of money that has been saved by the province of Ontario, because people, and the people we are borrowing money from, now believe we're properly setting the economy of this province in the right direction, where we are spending the money we have, not the money we don't have.

Mr Winninger: Well, the credit rating: Has it changed since the last government? Has Ontario's credit rating, AA-, changed since the last government?

Mr Sampson: You're right. You bet it's changed. It's not changed going down.

Mr Winninger: No, it hasn't.

Mr Sampson: There's no indication from any of the credit rating agencies that they're prepared to take us down a notch—

Mr Winninger: No, but it hasn't gone up either.

Mr Sampson: —which they did under the previous government three times.

Mr Winninger: It hasn't gone up since you were elected to office. It's that simple.

Mr Cooke: They were warning you about the tax break.

Mr Winninger: And you're going to have a $9-billion deficit, regardless of your—

Hon Mrs Cunningham: We are spending $1 million an hour on interest right now, David.

The Chair: The government caucus's time is exhausted.

Mr Winninger: So why the tax cuts? Why take it out on the poor and vulnerable?

Hon Mrs Cunningham: It's a new world, David. The poor and the vulnerable—

The Chair: Order, please. We're now moving into the time for the opposition party.

Mr Winninger: Thankfully.

Mr Gerretsen: I would just remind Mr Sampson that the real reason why interest rates have come down has got nothing to do with the province, it's got to do with the international situation and with the monetary policies of the Bank of Canada. If you're trying to take credit for that, that's a little insanity. My friend Bruce here had something to say.

Mr Crozier: Mr Winninger, I'd like to point out that it would seem to me that this government is doing exactly what New Zealand did in that New Zealand spent money it didn't have. The Premier has said the province is bankrupt. So what the Premier is going to do is go out and borrow—borrow—$20 billion to give a tax cut. I wish you would comment on that, although you suggest they don't give that tax cut, and if they don't, we have to keep in mind that the only jobs program, if you can even call it that, they've put forward is, "Our tax cut's going to create 725,000 jobs." Would you like to comment on that?

1400

Mr Winninger: Hypothetically, if we could afford a tax cut, which I don't think we can, then that tax cut should favour the middle- and lower-income earners. I don't see any value in a tax cut that enables companies and rich individuals to improve their bottom line and send out higher dividend cheques to the shareholders. As I said earlier, that trickle-down theory just doesn't work historically, and I think even Ralph Klein, who's been one of the heaviest hitters on the extreme right wing, is starting to have second thoughts and he'd say: "Well, maybe we went too far too fast. Let's draw back a little. Maybe some of these health care and social services we've cut back on were worth preserving."

This government doesn't stop to think about what it's doing. That's why it wants to rush through omnibus legislation like this.

The Chair: I'm going to have to interrupt and move to the third party.

Mr Silipo: David, nice to see you again.

Mr Winninger: Nice to see you.

Mr Silipo: On this question of the tax cut, the government likes to continue to parade before us this

notion that everybody's going to benefit from the tax cut, and that part of it is true. Everyone up to the low-income sector is going to get some level of tax cut. What they of course don't like to mention or don't like us to mention is the fact that over 40% of the value of that tax cut is going to go to the 15% of Ontarians who are among the highest income, over $85,000 family income. That's who's going to benefit by far and large from the tax cut.

I found it striking, in looking through your brief and listening to you as you described the demographics of the kind of support that there is out there for the Conservative Party, and I think you're right in categorizing the majority of wealthy males support the Tory policy, but it was interesting that one of the presentations I will never forget that we heard in Toronto was from such a person, who described himself in that way, as somebody fitting that category, and he said something which I will never forget. He said, "You're putting poor people's money in my pockets, and I don't want it."

We heard the same kind of thing, not in that way but we heard a comment as well this morning from a number of people, including from the taxpayers' coalition, saying: "If we have a real problem, don't give me a tax cut, deal with the deficit. If you think that there's a real problem with the deficit," as that gentleman believes, "then put the money towards reducing the deficit." Because we know that what is driving the Tory's agenda very much is the large amount of money that they have to cut in order to provide for that tax cut, and those cuts are coming in cuts in services that are affecting us right across.

The only question I really have of you is, are you seeing, in your different dealings now, obviously, than when you were an MPP, any sense among the population that people are beginning to understand that this kind of giving with one hand and taking from the other is not where this province needs to be going?

Mr Winninger: I certainly see a lot of victims of a reduced legal aid plan directly every day. The type of clients I usually deal with are those who are at the poor end of the spectrum, and they are suffering, yes. And I think they're realizing there's a direct connection between this government, its agenda and the suffering that they're being subjected to.

Mrs Boyd: Good to see you, David. We see each other frequently, but on this issue that the government members raise that in fact it is slanted towards the right groups because of the employer health tax, I'm quite interested in your response to that, given the talk that we've had this morning around the regressive taxation and service charges that people are facing, without any consultation or any kind of sense of ability to pay.

Mr Winninger: I didn't hear the discussion this morning, but it's of course of great concern, because what we're moving towards here in Ontario is a flat tax where people, regardless of their income and ability to pay, are all being subjected to the same fees, whether it's to take their kids skating, to take their kids swimming, to get their garbage collected, in some cases to get their roads snowplowed. It's a system that's totally insensitive to the means of people to pay. I'm talking about seniors on fixed income. I'm talking about people who are only marginally employed or not employed. Where are these people going to come up with the money to pay for these services that up to now were provincially subsidized?

There has to be a reason why these programs evolved in the first place, and I think the reason was to encourage access—for everyone. We won't have a system like that very soon, because this government is moving to ensure that only those who can afford to pay will be able to access these services, so I think your comment is very trenchant.

The Chair: Thank you, Mr Winninger. Your half-hour has come to a close. I appreciate you coming forward today to make a presentation to the committee.

UNITED CHURCH OF CANADA, LONDON CONFERENCE

The Chair: May I please have representatives from the London Conference, Church in Society Committee, come forward. Good afternoon. Welcome to the standing committee on general government. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to save time at the end of your presentation for questions. I'd appreciate if you'd take the time at the beginning to introduce yourselves for the benefit of committee members and Hansard.

Rev David Williamson: My name is David Williamson and I'm the chair of the Church in Society Committee of London Conference.

Rev Susan Eagle: I'm Susan Eagle. I'm also a member of the Church in Society Committee for London Conference of the United Church.

Mr Williamson: We'd first like to thank the committee for the chance to present a few thoughts around Bill 26. We understand that not everyone has had the opportunity to speak at these hearings, and that precipitates a mix of feelings within us. On the one hand, we're grateful that we're among the 25% who can voice our reaction, but at the same time we feel regret in the realization that there are many across this province whose voices will not be heard in this significant discussion.

Our committee is the Church in Society Committee of London Conference, United Church of Canada. London Conference is comprised of all the United churches in southwestern Ontario as well as Algoma in the north. It extends from Woodstock to Windsor, from St Thomas to Sault Ste Marie.

Our committee has had a historical presence within the collective life and work of the wider United Church in its broad constituency, and has representation from congregations in every area of the conference. As I said, I'm currently the chair of the committee and I'm pleased that other members of the committee are present here today for today's discussion as well as several other members of the United Church and London Conference.

As you may be aware, the Christian church just celebrated the feast of Epiphany on January 6. Epiphany is a Christian festival that dates back to about the third or the fourth century of the common era. Epiphany literally means light or a manifestation, kind of aha moments when truth is perceived and integrated. The central biblical story of Epiphany is found in the second chapter of Matthew, the familiar story of the three kings or the

wise men who journey from the east following a star which finally leads them to a cave wherein they encounter the Creator, God, in a vulnerable infant with his poor, exposed parents. It's an intriguing tale around which I would invite some very brief reflection this afternoon.

Three kings in search of light and life; three kings who understand that the journey towards truth is arduous and long; three kings who spend perhaps years on the journey in pursuit of a star; three kings who readily consult with a foreign monarch in order that they can know the route and understand perspectives not previously available to them; three kings who in the face of truth fall on their knees and offer the totality of their lives to that awareness; three kings who have the humility to be transformed by truth, the wisdom and the courage to find alternate paths for the journey.

These are three wise men says our tradition, three kings or monarchs who model power and position in a manner which seems to be currently missing in our present leaders and in legislation like Bill 26. An overwhelming omnibus bill like this needs the journey. It requires time. It demands consultation with people closest to the reality itself.

At the heart of this Epiphany story is the search and understanding that the trek towards truth is tedious and difficult. It requires the support of others. There are three kings, not one. It demands patience, humility, consultation and courage. The final outcome of the journey towards light and life is ultimately unpredictable.

As a committee within the Christian church, we believe that wisdom is found in such stories about the Creator. We believe that the responsibility of everyone in positions of leadership is to fundamentally discern and enact God's truth. This is never an easy undertaking. It requires the insights of many, a grace and openness that enable even kings to pursue alternate, unexpected paths.

As Christians, we believe that the garden of earth has been entrusted to humanity for the wellbeing of all God's beautiful and valuable children. Increasingly, there seems to be a sense within our province that some are more worthy or more equal than others. Implicitly and explicitly, there's a developing feeling in many communities that certain more fortunate individuals and families deserve a larger portion of the pie.

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This has never been the position of our denomination. As far back as 1984, our church said: "The needs of the poor have a priority over the wants of the rich. The freedom of the dominated must have priority over the liberty of the powerful. The participation of the marginalized must take priority over the preservation of an order that excludes them."

In 1986 our church reinforced this view with these words: "In the struggle for economic justice we are being taught to give more weight and voice to those who are most seriously affected by the economic crisis. We are grateful for the leadership given by poor and unemployed people, by those who are organizing for economic justice. A point of reference for our theological reflection has been altered by their experience."

More recently our church at both the regional and national level affirmed the following values as principles for economic development:

(1) Human dignity: The right of all people to be treated with justice, love and respect.

(2) Economic equality: The right of all people to have adequate access to the resources necessary for a full life, including adequate security provisions.

(3) Mutual responsibility: The obligation to care for all people, ensuring their basic needs are met.

(4) The right of all people, regardless of race, religion, class, gender, ability or sexual orientation, to full participation in the life and decision-making of the community.

(5) Ecological sustainability: The obligation of the community to practise responsible stewardship of the earth and its environment so that creation might preserve for generations to come.

Finally, fiscal fairness: The responsibility of all to contribute fairly for the wellbeing of all.

This past Christmas, the moderator of the United Church of Canada, in a pastoral letter signed by herself and the 13 conference presidents, wrote these words to congregations all across this nation:

"Brothers and sisters, the social safety net has begun to unravel increasingly because governments are unravelling it themselves. The people we hire through our taxes to tend the safety net are being laid off as federal and provincial governments cut their budgets. In many provinces, the cuts are happening with little thought of how people will cope. Some political leaders use dangerous rhetoric, dividing our communities into those of us who have enough income to be taxed, and them, people who are sick, disabled, unemployed, in need of education, medical care or enough income to survive."

She writes, "We need leadership in each community of this country for the short-, medium- and long-term things that must be done as we reweave a social system in Canada that is driven by justice and stewardship."

The Church in Society committee of London Conference echoes those words. We yearn for leadership within this province that builds community and seeks the wellbeing of every citizen. While we support the notion of reduced deficit and debt, we reject the idea of a tax cut. It is a naive and silly concept. It will only add to the polarization within this province and will do nothing for the vital work of job creation.

We believe that any omnibus bill, certainly Bill 26, should not be rushed in order to pursue a particular political, economic or ideological agenda. Ambiguity within the bill and the potential consequences resulting from its enactment demand time and consultation. The voices of those most affected need to be heard and their stories need to shape its reformulation.

We would embrace such wise, just, compassionate and healing leadership. The arrogant alternative is neither helpful nor welcome.

So much for the generic. Our committee has specific concerns about Bill 26 that we will now address.

Ms Eagle: Specifically, there are certain aspects of Bill 26 that are very troublesome. We believe that there are three very dangerous directions in which the bill moves our province.

First, the direction of more and more arbitrary decision-making by an increasingly select few and with little or no consultation: The creation of this bill itself and the

attempt to pass it quickly with no public debate is proof enough that this is a direction of this government. We are all too well aware that the only reason this bill is receiving any public review is the result of the actions of opposition members in the House and we thank them for that. However, within the bill itself we see this direction of arbitrary decision-making.

There are many examples within the health section, such as the power to terminate hospitals or for one individual to take on all the power of the hospital administration and board. However, in the part of the bill being considered today, there are also examples.

Schedule M amends the Municipal Franchises Act by adding, "Despite this or any other act, a municipal corporation may pass a bylaw to eliminate the requirement under this act to obtain the assent of the electors before the corporation exercises a power under this or any other act."

Another example, the Public Utilities Act is amended by adding, "A municipal corporation may pass a bylaw to eliminate the requirement to obtain the assent of the electors before the corporation exercises a power under this act."

Another example of this loss of power by the general public can be seen in the amendments to both the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act. Both pieces of legislation are amended to give more power of refusal to the heads of institutions. Requests for information can be dismissed on the grounds that they are frivolous or vexatious and the commissioner is given new powers for dismissing appeals of the decision to refuse access to information. The further addition of a fee structure for any information that is provided makes the ability to access information more difficult, possibly even prohibitive for many people.

The second direction that we have concern about, the right of appeal: As many of the examples of this loss of the right of appeal are found in the health section of the act, we'll just briefly mention this direction. Not only is right of appeal further limited within Bill 26, the speed with which decisions are made and acted on makes appeal very difficult. It is also difficult to appeal decisions that are not known until they are acted on, and for this reason we see loss of the power of appeal as a very real consequence of the concentration of decision-making power in fewer and fewer hands.

Bill 26 opens the door for dispensing with public boards and agencies that have acted in the public interest in a watchdog capacity. Again, it is difficult to appeal decisions that are not known until they are being implemented.

The third direction, victimizing the vulnerable: The third very dangerous direction in which we see Bill 26 taking us is the further victimization of the already vulnerable. This we see as having a detrimental impact not only on people but also on the environment. Bill 26 opens the door for user fees that will further distinguish haves from have-nots in our communities. We would like some assurance that the legislation will protect emergency response services from being vulnerable to user fees or limited to those who can pay for them.

We also see the application of user fees for other services, such as libraries etc, as a direct assault on the fabric of the community. The increased dependence on user fees, the step back from pay equity, even the move to highway tolls, are all signs for us that the government is moving away from equity and further eroding the ability of the poorer and weaker members of our society to be full participants in the mainstream of community life.

We believe that Bill 26 also attacks the integrity of creation by undermining already weak protection of the environment. We're concerned not only about people but also the environment.

Schedules M, N and O, with amendments to conservation authority statutes, acts administered by the Minister of Natural Resources, and the Mining Act, all move in the direction of granting more freedom to business enterprises with fewer controls and safeguards. For example, the Forest Fires Prevention Act is amended to remove the requirement for work permits before carrying on of logging, mining and other activities within 300 metres of the forest.

The Lakes and Rivers Improvement Act is also amended to allow people to construct dams without a permit except in certain prescribed circumstances. The relaxing of upfront scrutiny of mining companies leaves communities vulnerable to serious environmental damage if problems arise. The cost of prevention, in our mind, is far cheaper than that of long-term damage and cleanup.

We would ask this government what commitment it is prepared to make to enhancing, not undermining environmental protection.

The directions that we believe underlie Bill 26 so seriously flaw the outcome that we believe the bill should not be implemented without radical changes in direction and much more public scrutiny and evaluation of impact.

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Finally, adding to the crisis, this bill is set against a background of cutbacks that are already having detrimental effects on many sectors of our community. Health care programs have been cut, community college and university budgets have been chopped, junior kindergarten has been made optional at the same time that child care subsidies have been cut. Social assistance rates have been cut by 22%, leaving many families with the awkward and impossible choice of paying the rent or feeding their children. Shelters for battered women are at risk and legal aid is not guaranteed. Halfway houses have been shut down and many agencies are facing significant cutbacks in service and staffing. Housing projects have been cancelled and public housing is being considered for sale. As well, many workers are facing the fear of layoffs and a very uncertain future.

We note that Bill 26 and the economic statement that brought it into being do little or nothing to deal with the real and root causes of the economic crisis that we face. The high proportion of unemployed people in this province is not reduced by simply cutting back on access to social assistance and other social security programs. Jobs are not created by creating greater destitution for those in need. Children are not better served by attaching user fees to emergency and community services that

would protect them and help them grow into healthy, educated adults in our communities.

Communities are not well served by cutting out the community access and input to decisions that affect the future character and wellbeing of municipalities. The environment is not protected by simply shutting our eyes to the damage being done, and neither is democracy served by shutting out the voices and contribution of those who care deeply about the kind of society we now are and shall become.

Finally, our recommendations:

We encourage the government to delay the passage of Bill 26 until the real impact and consequences of its recommendations can be analysed and understood through public consultation and dialogue.

We encourage the government to consider the real and root causes of the economic crisis we face and work on systemic solutions rather than dealing with symptomatic relief.

We encourage the government to seriously consider its promise of job creation made during the election.

We encourage the government to consider alternative revenues, such as those that come from fair and equitable taxes and the growth of stable and secure jobs.

We encourage the government to remember the all-party federal commitment to the elimination of child poverty across the country by the year 2000.

We call on the government to reaffirm its commitment to democratic decision-making and the right of all citizens to participate in the life and design of local communities and the setting of provincial priorities.

That is our presentation.

The Chair: Thank you very much. We have about three minutes and 20 seconds per caucus, starting with the opposition caucus.

Mr Gerretsen: I'd like to thank you for just an excellent presentation. Sometimes sitting on this committee you get the feeling that we're only dealing with economic issues, but you've certainly put a very human touch to it in your first five or six pages, that life in Ontario is more than just a case of economic entities coming together etc. I think what always made us a little bit different in Ontario from American society, for example, is the fact that we do have a sense of compassion towards one another and we build on consensus rather than on dividing the haves and the have-nots.

I was very struck by the way you put it relating to the tax cut, because that's certainly something that we've said throughout. You've probably said it better than any of us have ever done in the Legislature when you said it's just a very silly notion and it will polarize us even more and it's got nothing to do with job creation.

The last five pages of your presentation: I think whereas most of the other delegations have usually dealt only with one or two of the schedules, you've more or less looked at them all and made some very broad, general statements about them which I think are very correct and appropriate.

Can you just tell me what the church is involved with currently with respect to assisting, over the last six months or so, those people who simply have not been able to cope? What's happened to your mission in that regard and how many more people are you helping than you were, let's say, six months ago?

Mr Williamson: Maybe I'll just tell you how I spent the morning. I live in Chatham, Ontario. I spent the entire morning today with as many churches in the city of Chatham as cared to be present, along with most of the significant social agencies, as we tried together—so it's developed some partnerships, I guess. I'm still personally reeling from a decision made in our community last night by the board of directors of our youth hostel to discontinue operation on January 26. We're profoundly saddened by that. I've got a meeting of our own denomination this evening and that'll be something we struggle with, how to respond to that. The executive director will be in the pulpit of our congregation on Sunday sharing her story with anybody who cares to listen.

It's a continual thing that just keeps coming at us, and developing some partnerships is taking just incredible amounts of time. Certainly we assume it'll take very significant dollars to begin to respond to some of the very urgent and immediate crises.

Ms Eagle: Here in London a number of our churches are planning to look at the Out of the Cold program that's operating in Toronto right now. We're doing this and we're expanding services. Most churches have got food banks and foot drives etc going on, but we're doing it with a great sense of sadness that this is the only solution right now for many people in crisis.

I know of families, Because I'm a community outreach worker, where we've got two families living together in one apartment. I know of other situations where families of six, seven and eight are living in a very tiny one-bedroom apartment. People are being squeezed and squeezed and squeezed, and the Band-Aid kind of stuff is not going to cut it. This Christmas, for our children's party out in the northeast part of London, where we normally have about 200 children who come for the party, we had 350 children enrolled. That, to me, at the very basic level gives me some sense of the impact on the community of what's been happening.

Mrs Boyd: Thank you both very much for coming. Many people expect the kind of service work you've described in dealing with some of the problems that are there, and certainly the government members have frequently talked about churches picking up the pieces and creating community and so on. But there are those who criticize the London conference, the council of bishops, the council of religious orders, all of whom have spoken out against this bill and against the actions of the government for getting involved politically. Why don't we just put it on the table? Can you tell us why you think it's appropriate for a faith community to understand the connection between social justice and politics?

Mr Williamson: I think it's foundational and just absolutely fundamental. I can see no other reason for churches existing than to build up the realm of the Creator. If we're not about that, shut us down, I don't care.

Ms Eagle: I guess anyone who has done any biblical scholarship at all, if they are a Christian, knows that the entire gospel is filled with a call to being active in the community and working for justice. In fact, our lectionary

readings this past Sunday were filled with the requirement that people of faith go out and work for justice in the community. If you have any connection to the Christian church or to any of the other faith groups, you know that's a basic tenet of being a faithful person.

Mr Young: I totally support your recommendations that we consider "the real and root causes of the economic crisis that we face" and then, another paragraph down, "the growth of stable and secure jobs."

You talked earlier about a journey, and that has been our journey and it is our journey. The journey didn't start this month or it didn't start in November, in my view. Our PC caucus went out, starting in 1992, and it had town hall meetings and public meetings all across the province, with the focus on economic renewal and jobs.

They compiled the words in different books—the Blueprint for Learning, a blueprint for small business, a blueprint on a number of things—approaching the election. Their conclusions were put into an election platform focused on economic renewal and jobs. One million copies were distributed. Never before in the history of Ontario has that happened.

All the candidates ran using the platform. We won 82 out of 130 seats, which in a three-party system is a massive majority, and we are implementing it. That's a pretty long journey and it's a very democratic process; it would be irresponsible of us not to.

One of the presenters yesterday brought us a letter from one of the churches, the 4,000 Roman Catholic sisters, brothers and priests, an open letter to all people of goodwill. It calls for political action: Write letters, visit your elected representatives, look for non-violent ways to express solidarity with the poor etc. What I notice is missing in this letter is a call to help people directly. It's a call to political action, and I understand that's your view.

But another presenter this morning quoted an old saying that the government should stay out of church business and the church should stay out of government business. Don't you have any concern that if churches are getting increasingly into government business, some future government at some time might start to get into church business?

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Mr Williamson: I'll give you my quick reaction. I personally think that would be wonderful, frankly. That would be just wonderful. If we're all in the business of creating a kind of community where—

Mr Young: Let me tell you what I'm thinking of. There have been governments in the past—there's one in Ottawa—where there's a lot of discussion around taxing the churches, which I don't support. I would never want to see that, because of the great work that you do. But that doesn't prevent some government in the future from saying, "These churches are operating like a business, they're operating like a political party; maybe they should be taxed." I have a fear of that. Don't you share that concern?

Interruption.

Mr Young: That's uncalled for.

Ms Eagle: Perhaps I can give you the answer I gave the other day to that. That's been dangled in front of the church for some time now. I'm rather tired of that being dangled in front of churches, because it seems to me that it's offered sometimes in the form of a veiled threat, that if churches don't back off speaking up and saying what they have to say, perhaps somebody will take some action against them. I see that as a threatening kind of thing, but if it happens, it happens. We are mandated through the gospel to speak, and even if the churches become a voice in the wilderness, they still have to speak the truth as they see it. The Quakers have a phrase about speaking truth to power. I think that's an important thing for us to continue to remember: that as power grows, it's more and more important for us to speak truth in the face of it.

There was one other comment that you made about job creation. Certainly the distribution of a million booklets must have created a few jobs for a few people.

Mr Young: But that was to get the message out. It was a very democratic process.

Ms Eagle: Our concern is that there were jobs promised. In fact, many low-income people voted for the Tory party because they believed that somehow at the end of that time there were going to be jobs for them. What we're seeing now is that there aren't jobs for people.

Mr Young: Well, there were 1,000 jobs announced for Alliston, the Honda plant, and 200 jobs at the Disney studio coming to Toronto, and there will be more.

Ms Eagle: We know that there are jobs being created; I'm not suggesting that there are no jobs being created. But we have to balance that with what kind of jobs are being created. Are they part-time, minimum wage, with no benefits, which many of them are, and how many jobs are being lost at the same time?

The people in the street know that there aren't more jobs out there. There was an article in the paper just this past week that showed there had been a decreasing number of help-wanted ads being run in newspapers for the last two or three years. There are fewer jobs for people to go and look for. You can go out in the street and talk to people and they'll tell you that the statistics on paper are one thing but the reality of the streets is another. We speak out of that reality of the streets because we're with those people and we know that they're struggling to find jobs.

The Chair: Thank you very much. I'm sorry, Mr Young, you've come to the end of your time.

Thank you both for coming forward today and making your presentation to the committee.

OXFORD REGIONAL LABOUR COUNCIL

The Chair: May I please have representatives from the Oxford Regional Labour Council come forward.

Interruption.

The Chair: I'm sorry, ma'am, I can't speak for Mrs Cunningham's whereabouts. She's not a regular member of the committee. I know she's here today because we're in her riding.

Interruption.

The Chair: Excuse me, ma'am, I apologize for interrupting you, but we have a certain amount of time for each presenter and I wouldn't want to cut into their time from another person in the audience.

Gentlemen, welcome to the standing committee on general government. You have 30 minutes today to make your presentation. You may use that time as you see fit; you may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd introduce yourselves at the beginning of your presentation for the benefit of committee members and Hansard.

Mr Broderick Carey: My name is Broderick Carey, president of the Oxford Regional Labour Council, and with me today is Terry Coleman, the first vice-president of the Oxford Regional Labour Council.

The Oxford Regional Labour Council represents 8,000 members from such diverse industries as retail, auto, textile and agricultural through open-pit mining and federal, provincial and municipal civil servants. We are here today at the request of these members, who have deep concerns about the method, thrust and impact of Bill 26 on themselves, their families and their community.

We wish to begin by thanking the caucuses of the opposition parties, without whose valiant efforts this process would not have been possible. We believe that the attempt by this government to shut out debate on a piece of legislation of this magnitude, not only in the Legislature but in the communities affected, is wrong and a gross abuse of the democratic process. In a jurisdiction with a healthy and living democratic process, we do not believe that marking a ballot every four or five years constitutes the end to an individual's duty to the government. The general populace has not only a right but an obligation to register their thoughts on any issue, and the government has an obligation to respectfully listen and make changes to create a whole and inclusive society. Bill 26, if passed largely untouched by this process, will be an extension of an undemocratic government committed to bringing about its own vision at any cost, even if the cost is democracy itself.

The Common Sense Revolution and democracy: As with any revolution, this one is designed to shift power, and like any other revolution, there will be claims that for the common good there will be casualties of fairness and justice, and the end justifies the means. Democracy abhors the philosophical notion that in a democracy fairness and justice are at the end and the thrust of shift of power is only possible through the democratic process. To ignore this is to say that a revolution, commonsense or not, is more important than democracy. We hope this is not true in the case of Ontario.

Casualties in fairness and justice: Women: Bill 26 abolishes the right to fair pay for 100,000 women in day care, children's aid, nursing homes etc in the province of Ontario, by eliminating the proxy value comparison from the Pay Equity Act. If there is no male-dominated job class of equal value at the same employer, the female-dominated job class will lose its right to fair pay. Making matters worse is the retroactive measure that is not binding the employer to achieve pay equity even where the proximity value has been posted. Not only do the women lose; so do the communities they live in. This casualty directly impacts our members and their communities and is not acceptable.

Public service interest arbitration: In the essential service area of the public service, such as fire, hospital, police, public service and school boards, the right to strike is traded for interest arbitration in settling collective disputes. Bill 26 will introduce new considerations into the mix of arbitrators' guidelines. These new considerations are nothing but an employer's wish list, while at the same time forcing arbitrators to make political decisions, therefore allowing the government to wash its hands of the democratic process.

Requiring arbitrators to consider the ability to pay is just a smokescreen for willingness to pay. The stipulation that arbitrators must consider service cuts if current funding levels are not increased is purely a political decision which the government can then say it is not responsible for. We must ask ourselves if this is the type of leadership we are asking of our government. An arbitrator may cut a municipal service and announce layoffs, and the provincial government can throw up its hands and say, "It's not our fault." Let us go on the record right now and say, it is your fault if Bill 26 is passed without amendment. This issue affects our members in communities directly and it is not an acceptable casualty in a democracy.

The Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act: This government seems to find particular joy in hurting the most vulnerable in our society. The amendments to the above pension acts are a case in point. To facilitate the dream of a Utopian capitalist society, the government has, through Bill 26, developed a strategy whereby it contracts out, privatizes or just cuts public service and ignores pension rights of those who lose their jobs, the same rights that every employee in this province has.

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Bill 26 exempts employers from the guarantee that employers' contributions will fund at least 50% of the cost of the pension. The right to immediate vesting of the entire pension and the right to grow into early retirement and bridging benefits again is retroactive to January 1993. This once again directly impacts on our members and the community and is an unacceptable casualty in a democracy, and I'll have Terry take it from here.

Mr Terry Coleman: The three issues covered in section A can and should be seen for what they are: a direct tax on women and the unemployed to fund the ideological goals of an undemocratic government.

Section B, the tax cut fallacy and democracy: Municipalities: The restructuring amendment to the Municipal Act is the lever of a machine designed to allow the provincial government to: (a) reduce provincial income taxes, (b) allow the municipalities to tax that reduction back and more, and (c) make the Municipal Act more undemocratic.

The changes in Bill 26 allow the minister to amalgamate, dissolve or create municipalities. Although the minister must act on a recommendation from a restructuring commission that fits the restructuring guidelines, those guidelines appear to be open to the interpretation of the minister, and in fact any order of a minister or commission prevails over any other legislation with which it may conflict.

Bill 26 takes away the requirement to hold a municipal referendum to privatize public utilities, such as electricity,

water, sewer or transportation services. Is this the government's view of democracy?

Bill 26 goes on to allow greater access to money by the imposition of direct taxes other than property tax. The bill allows the setting of fees that discriminate among different classes of people. Municipalities and local boards, with the exception of hospital and school boards, are given broad new powers to charge user fees and other charges and they appear to be virtually unlimited. Is this the government's view of less taxation?

This measure surely affects all of our members in the communities they live in and shows that cutting taxes is just a shell game in which the government can take the expedient way out instead of the responsibility.

Freedom of information and protection of privacy legislation: Freedom of information is under direct assault in Bill 26. The proposed amendments give the heads of institutions the right to judge whether a request is frivolous or vexatious, even where the requester would otherwise be entitled to obtain access under the legislation. Although an appeal is allowed, this new amendment will result in access being denied to those unable to afford the appeal.

Bill 26 also allows for a fee payable in advance for any information retrieval and the appeal. The bill does not impose any limits on amounts to be charged, but does allow for different amounts to be charged for different records or persons. On top of that, there is also the requirement for a fee to access a person's own personal information.

It is our opinion that these changes violate the intent of the legislation while raising taxes and shielding the government from direct public scrutiny. Therefore, this measure, like the last, is just government expediency with a tax increase. Is this the government's view of democracy?

Section C, environment and democracy: The Mining Act: If enacted, Bill 26 will amend the Mining Act to abolish the current procedure of which approval of a mine closure plan must be in place before a new mine is allowed to open. There is still the requirement of a closure plan, but it must only be approved by the company itself. That seems a bit too convenient to our sensibilities, especially when no one knows what the long-term cost will be.

Another change will eliminate the need for many mining companies to provide a combination of cash and letters of credit to deal with any future problems. These companies only need to prove that they are financially strong enough to pay for any future environmental costs. Several questions come to mind in thinking this through: Who is the judge of "financially strong enough"? How often is this proof needed? What are the criteria?

In our opinion, the environment is too important to leave to polluters for a government that says it's committed to our future.

Conclusion: If there is an agenda at work in Bill 26 it is short-term pain for many, followed by more long-term pain. People in this province are crying out for jobs and security, and this government answers with layoffs and more insecurity. To hide that agenda, Bill 26 allows the province to forgo its responsibility by forcing that agenda on municipalities, the poor, the sick and the unemployed. There is an abrogation of the democratic process at work which alarms our members.

We must ask ourselves some fundamental questions about our future at this juncture: Are we collectively willing to sacrifice democracy for an uncertain future? We hope not. Are we willing to give tax relief to the few at a cost to the many? We hope not. Are we willing to sacrifice our environment so that some companies can make short-term gains and leave us with an environmental mess? We hope not.

We believe in the right of any government to bring forth any piece of legislation. In exchange, the government must listen to its constituency. This bill being brought forth in this manner is a serious mistake, and it should be withdrawn.

The Chair: Thank you. We'll start the questioning, at five minutes per caucus, with the third party.

Mr Silipo: I'll start by pursuing that last point you made, because one of the things that we found quite striking as we've listened to government members continue to justify, indeed the ministers continue to justify, the need for this legislation is the myth that they have been proclaiming that there is such a fiscal crisis, an economic crisis, that it warrants them having these extraordinary powers and taking these extraordinary steps.

One of the things that we have been pointing out and we see certainly in your brief and those of many others is that in fact while there is indeed a fiscal problem that needs to be addressed, even the government's own actions seem to be contradictory, because if there was such a strong need to reduce the deficit as they are proclaiming is the case, there doesn't seem to be much logic in cutting so much, in terms of what they are cutting, in order to pay for the tax cut. The single largest area of cuts—they say $4 billion; we think closer to about $6 billion—is needed in order to pay for the tax cut, a tax cut which is not going to largely benefit average- and low-income Ontarians but is going to benefit far more greatly upper-income Ontarians. Do you have a comment on that kind of approach that's being taken by the government?

Mr Carey: We really believe it's the wrong approach. Like you said, the tax cut is going to benefit the rich the most. The people on the bottom end of the scale are going to end up paying more, because they're going to have to pay user fees for their garbage, they're going to have to pay so their children can go to the library, they're going to have to pay for so many other things that are now basic services that they should have.

We have a great concern that this government is cutting so much out of the system that it's going to cause more unemployment by the billions of dollars in cuts because that's money they're taking out of the economy which the school boards, which the other services across this province use to purchase goods and provide services throughout the community. If that isn't there, then we have more people thrown out of work and then we don't have a safety net there to protect the people, to help the people so they can have the basic things at least: food on the table and shelter over their heads. We have grave concerns with the direction of this government.

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Mr Silipo: One of the things that I was glad to see you covered in your brief was the issue of pay equity. I think, as you state, there is a clear shift here by what the government is doing in asking in this case women to pay for the economic problems that it believes we have. In this case we're talking about 100,000 women who are among the lowest-paid women. I remember, as someone who was very involved in the last government in bringing about the proxy pay equity package, what a sense of relief there was when we finally got to it, even with all of its problems still in terms of how long it would take under that plan for women to reach pay equity, a sense of relief that came with knowing that finally we had managed to figure out a way to cover those 100,000 or so women who had been left out of the earlier pay equity provisions.

What I find troubling is to continue to hear the government members justify the elimination of proxy pay equity on the basis of saying that it's a return to what pay equity was originally meant to be. I always understood that pay equity was supposed to be a measure that allows women to be paid equally for the work they do in a comparable way to the pay that men are receiving, and that in fact there was a big gap that existed under the previous legislation that we were able to rectify. I was happy to see that you picked up on that, but I also just wanted to underscore that we're talking here about not just the elimination of something else but about the elimination of a basic right for some of the lowest-paid women in the province.

Mr Carey: Exactly.

The Chair: Members from the government side, Mr Tascona and Mr Sampson. Mr Tascona first.

Mr Tascona: Thank you for your presentation. I just want to focus on freedom of information. As you know, the power to reject frivolous or vexatious requests is going to be put into the hands of the municipalities, school boards and police forces. I want to give you an example of a situation where the police forces in particular have asked for this power. It was a situation where it cost the police forces involved in excess of $75,000 to deal with an individual who had made in excess of 770 requests and 272 appeals, and the type of information that he was looking for was—this is reportedly what he was asking for—such things as how often the police washrooms are cleaned, how many fax machines the police have and all reports of alleged UFO sightings—that type of information.

I'd like to ask you, based on this type of information that the police forces are saying is totally unreasonable, do you think it's reasonable that taxpayers' money should be used to fund requests for such information? We're talking about significant money here that the taxpayers have just paid out, and it finally took an order by the privacy commissioner to say this is a totally outrageous frivolous and vexatious request. But at the end of the exercise it cost us $75,000 to say, "You're not entitled to information on UFO sightings." Do you think it's unreasonable to be putting that type of power in the place of police forces and school boards and municipalities to protect the taxpayers' purse?

Mr Carey: I don't see how we should penalize the masses because of a rarity across this province. We may have a few of those cases, but there are plenty of cases across this province where people deserve and are entitled to and have the right to that information, and we should get it. We just don't feel that any government—

Mr Tascona: There's nobody denying the level of decision-making at a lower level in the community, by the local elected officials.

Interruption.

Mr Carey: I think the gentleman at the back said you're just passing the buck and dumping all the responsibilities on the municipality.

Mr Tascona: You don't trust your local officials. Do you trust an unelected bureaucrat to deal with your information?

Mr Carey: But you're dumping all your responsibilities on them.

Mr Tascona: We heard a different view yesterday from the labour council, saying, "We don't like unelected bureaucrats determining our rights and determining information we get."

Mr Sampson: I'm interested in your comment about the environmental aspect—I think you were talking about the Mining Act amendments and how you were concerned about how that would negatively impact the environment. Do you think what we should be considering perhaps is legislation whereby inspectors can almost land at a mine site unannounced and perform an investigation and seize documents etc? Is that the type of approach that would be helpful in protecting the environment, in your view?

Mr Carey: I don't know if that's totally helpful. I know that the system we have now works. It gives an opportunity for the community to feel secure that, should something happen with the mine and it closes, their environment is going to be protected and there are funds there to protect them, and the public doesn't have to pay.

Mr Sampson: Right. There are examples of some situations where mine recoveries have been delayed because the government was not able to get access to the information and to the site until it had jumped a number of hurdles, freedom of information being one of them, local bylaws being the other. Don't you think it would be important for us to be able to, or do you think it would make sense for us as a government to be able to, give more authority to inspectors to deal with environmental issues immediately as opposed to waiting for the bureaucratic process to allow them into a site to investigate etc? Would that make sense to you?

Mr Carey: I have no trouble with inspectors going on, just as I would with the Ministry of Labour inspector going on and enforcing rules. But those rules have to be there and the support has to be there for them to do that.

Mr Sampson: The extra authority given for mining inspectors is indeed part of the bill: schedule O. It's overwhelming power. Basically, they can go and seize property without even warrants. The equivalent would be somebody coming into your house and busting through the door and saying: "I'm here. I think there's an environmental hazard here." That's the equivalent of what we're allowing the mining inspectors to do under sched-

ule O. Our view is that it will improve our ability to respond and deal with environmental issues, site problems, site cleanup problems, because the problem with those situations, as you probably know, is that the damage that's caused today will only get worse unless action is taken immediately.

The Chair: Sorry to interrupt, Mr Sampson. You've come to the end of your time.

Mr Phillips: I appreciate the presentation. I'd like to get some of your comments on the climate that this bill is creating for collective bargaining. The Ontario government is bargaining right now with its public sector union. I'll start with the pension issue. To refresh all of our memories, some time ago, I think within the last two years, the public sector negotiated with the government a deal with the pension. Then the new government decided to try and, through a regulation, essentially take $250 million out of your pension fund. You took them to court, or the union took them to court—

Mr Carey: Yes, OPSEU.

Mr Phillips: —and the court said: "The government's wrong. You can't do that. You're acting illegally."

Now what's happened is that the government, because they lost in court, have decided to write a new law that exempts them from the Pension Benefits Act, which is very unique in itself, because that act was designed to protect all pension members, public sector, private sector. But because the government tried to do it with regulation—the court said they were wrong to do it—now this bill exempts the government from the Pension Benefits Act with the specific intent of taking $250 million, that would have been the members' entitlement in the pension, out of there.

What's your feeling on the climate that might create as we head into collective bargaining?

Mr Carey: It creates a major climate of insecurity, I guess. With the concern with the cuts, it has a major concern that their pensions that they've worked for for so many years and invested so many years in are going to be lost, and no way of recouping it. Yet, everybody else in the community who has a private pension would be entitled to a wind-down allowance in their pension that this government is trying to take away from them now.

Mr Phillips: There's another section in the bill, and I'm interested in this because I don't think there's much doubt there's going to be some tension, to put it mildly, between the public sector union and the government. I'm just interested in the climate.

The second one that's very interesting to me is the arbitration issue, schedule Q, as they say in this document. First, these direct arbitrators give in a way that doesn't exist, as far as we can determine, anywhere else certainly in Canada. When the government talked to the credit rating agencies about how they're going to control costs, one of the big things was, "We can control costs because we're going to impose these new restrictions on arbitrators." There can be no doubt—zero doubt—that this dramatically enhances the bargaining power of the government and dramatically decreases the bargaining power of the employees. That's just a given.

Again I ask the question to the labour council: Just what's your feeling of the climate that section of the bill might create as we head into bargaining?

1500

Mr Carey: Over the years, one of the pillars of our society has been free collective bargaining, and what this government is going to do is take all that away and really make a mess of the whole thing. It really takes out everything the collective bargaining process does, which is to allow both sides to sit down and collectively bargain, come to a fair and equitable settlement, resolve their concerns and then get on with business, which is running their workplaces across the province.

Mr Phillips: The third part is again on the climate. You mentioned taxes and fees in here and you say it appears to give the municipalities virtually unlimited flexibility in fees.

You're absolutely right, and that's what the government says; that's their intent. This is their description of the bill to people trying to understand it. It says, "What is the intent of the user fee provisions of the bill? This legislative amendment will generally provide unlimited flexibility, thereby overriding all existing limitations on user fees. The proposed amendments confer significant discretionary power to council regarding activities to which a fee may apply."

Even as the bill is written right now there's a clear indication that it would permit local taxes. Again, I suspect one of the intentions is that when you put a fee on things, people tend to get angry, and so the risk we're running here is creating a climate of anger, which is that the provincial government wants to say, "We're giving this nice tax break." Then you find that at every municipality. Those three things are just around the climate I think we'll face on collective bargaining in the next few months.

The Chair: Thank you for coming forward today to make your presentation to the committee.

LONDON POLICE SERVICES

The Chair: May I please have representatives from the London city police come forward. Welcome to the standing committee on general government. You have 30 minutes today to make your presentation. You may use that time as you see fit and you may wish to save some time at the end of your presentation for questions from the three caucuses. I'd appreciate it if you'd introduce yourselves for the benefit of committee members and Hansard at the beginning of your presentation.

Mr Bruce Brown: Thank you for the opportunity to appear before you. My name is Bruce Brown, and I am the director of the professional standards branch of the London police and legal counsel to Chief Fantino.

It is on behalf of the chief that I appear before you today. Speaking for the chief, who is as well the vice-president of the Ontario Association of Chiefs of Police, our concern is that the current structure of police services boards be preserved and not politicized by delegating control of policing services to local municipalities. To date, police services boards have been preserved by the provincial government, a decision for which police services throughout the province are grateful. However, under the proposed section 210.4 of Bill 26, a police services board, or indeed all police services boards for

that matter, could become local boards by dint of regulation. The municipality would then have the authority to dissolve the board.

We believe that the structure of the police services boards as presently constituted is logical and sound. To turn control of police services over to municipalities would be to revert, essentially, to life as it was under the old Police Act, which permitted formation of police committees of council. This was one of the problems which resulted, historically, in the drafting and passing of the current Police Services Act, since there were documented cases of political interference with policing as a result of local council involvement. In some smaller centres, the committee of council was comprised of the entire council; in other words, the entire local council became the overseer of police. The relationship of the police to local council then becomes one of master and servant, a relationship which makes independence of the police from partisan municipal politics very difficult indeed.

There are greater issues here than merely dollars and cents. The nature of policing services is very different from any other service provided by municipalities. The police deal with public safety and fundamental questions of the liberty of citizens. To put matters in perspective, if library hours are shortened no one is placed at physical risk.

The police community is the heart and soul of public safety. Before making any changes which would alter the accountability and chain of command of the current police structure, I would urge you to consider that bigger picture. The police are and should be ultimately accountable to the public with whom they interact, not to the local municipal political structure.

It is critical, in our view, that the integrity and autonomy of police services be maintained by preserving the separation of the police from the influence of local politics. For the sake of efficiency and honesty, we want to avoid the influence, or even the appearance of the influence, of partisan politics. Under the current regime, we are able to do so. If the city were to absorb the responsibility for ultimate control over the police, a good system would be replaced by one, in our view, far less efficient.

For the safety of both officers and the general public, the current structure should not be dismantled. Public safety, through efficient management of police resources, ought to be in the hands of professionals who have a thorough knowledge and appreciation of police work.

Mr Jim Caskey: My name is Jim Caskey, and I'm counsel to the London Police Services Board. My position here today is to support the initiatives in Bill 26 in so far as they relate to freedom of information changes that are contemplated; that is, we support the initiatives in Bill 26 in so far as they relate to the Freedom of Information and Protection of Privacy Act and the municipal act.

Historically, you may know that it was the London Police Services Board and Chief Fantino that were concerned about abuses of freedom of information by reason of requests coming in from certain individuals to the London force and indeed, we ascertained, to all municipal police services. As a result of that, Chief Fantino and the board initiated a civil suit, in conjunction with Sarnia and Windsor, that resulted in a court decision referring the matter to the information commissioner and a hearing before the information commissioner that was heard last year in late August.

As a result of that, Commissioner Wright found that the act did provide, in his view, certain matters that allowed him to restrict access to information on the part of persons who were abusers and those who were using the act in a frivolous and vexatious manner. However, we all recognized at that time that it would be preferable to have legislative change that would implement those things that Commissioner Wright found.

We're here to thank you for the initiative in turning that into legislation and making it clear to all persons who have access to the act and want access to information that it is a freedom we have to that information that ought not to be abused; it is a freedom that is precious and one that requires you to be responsible in the way in which requests for information are made.

I have with me Superintendent Dan Vickery, who's in charge of this aspect with the London service, and I would like him to address you in relation to some of the concerns that London continues to have.

1510

Mr Dan Vickery: Mr Chair and members, I too echo Mr Caskey's words in relation to the proposed amendments to the Municipal Freedom of Information and Protection of Privacy Act. Simply put, and in reference to the previous speaker's comments, it is not the average member of the public we wish to prohibit from having information; it is the person who abuses the system. Quite frankly, the legislation did not have that authority and it now has, at least as proposed. We believe that frivolous and vexatious requests have been addressed. I should point out too that it is on reasonable grounds that those incidents can be identified, not just at the whim of some individual within the organization.

We feel that the fee schedule has been addressed to the point that during the first three quarters of 1995, we experienced a 20% increase in requests under the Freedom of Information and Protection of Privacy Act; we processed 60 formal requests and 75 informal requests. We are there to accommodate, to speed up the process for members of the public requesting information.

We also feel that the process of the appeals has been addressed and we are very appreciative of that. A ground for appeal was that the records did not exist, and there is nothing we can do to countermand that on appeal; either they do or they don't. When that whole process is initiated and hours of work put into it—the fact that we have sent in a letter saying that the records don't exist launches an appeal is simply a waste of taxpayers' dollars.

We also feel that in general any recovery of other costs has also been addressed and at least will put the London police in a position to recover some costs for the services we provide. Thank you.

Mr Lex Bullock: My name is Lex Bullock, also legal counsel to the London police force. I'd simply like to reiterate the comments Mr Brown made about the

fundamental difference in police services from other services provided at the municipal level. I think that's a point that ought not to be lost track of in the broader debate about Bill 26.

The Chair: Thank you. We have six minutes per caucus for questions, and we'll start with the government.

Mr Tascona: Thank you for your presentation. One area you haven't addressed is schedule Q, the interest arbitration, the mandatory criteria being proposed. We did hear from the Ontario police services representatives in Toronto, and I'd like to ask for your comments with respect to the criteria. Do you think they're strong enough or do you believe they should be strengthened, and if so, where?

Mr Bullock: Generally, the London police force concurs with the police association submission that was made to this committee with respect to that. The suggestion that the arbitration provision with respect to private services be amended somewhat is something that the police services association has addressed and that the London police force concurs with.

Mr Tascona: With respect to freedom of information, we did hear from the Information and Privacy Commissioner, who expressed some concern, that the process should be that he decides; in other words, we'll have the approach not being at the local level, but him having the powers since he has made a decision on that. You have commented on that, but I'd like to hear your comments.

Mr Caskey: We understand Commissioner Wright's position. The problem that brings is that he then asks the institution to produce to him all the data and all the information we've been asked to produce in the initial instance so he can decide upon it. We would actually be going through the process and taking the time and energy to produce all that information so he can decide on it. It would almost be easier, in many instances, for us to make the answer to the individuals themselves than to give all that information to the commissioner and let him respond.

We see it as a duplication and a waste of the energy at the level, understanding that as far as police services are concerned, they see their mandate more as serving the community and protecting than they do in answering requests for information. Although that is a part of the job, they think they should have their time and attention spent on servicing community needs and protecting the public as opposed to that aspect of it.

That's what we see as being the difficulty in leaving it in the hands of the commissioner. That's fine as an ultimate arbiter, but in the initial instance, we think that if you don't have faith in the person who's the head of your institution, you've got a very serious problem. I think we all have to have faith in those people who lead our institutions to make rational, sensible decisions and, when they have reasonable requests, to understand that they will respond to them.

Hon Mrs Cunningham: Thank you for your presentation in that regard, because I have to say that some of the information that went into building this piece of the legislation around freedom of information was built on the London case and the appeal. Could you describe to us who else was involved so we get it straight?

Mr Caskey: I will. The London force initiated and sent letters to the large municipal police services to suggest that a concerted effort was necessary to curb these abuses. We received responses in a positive way from the chief in Windsor and from the chief in Sarnia saying, "We will support you economically and with data we can give you." We initially received a positive response from Metropolitan Toronto, but unfortunately the initiative in Toronto was curtailed after some considerable debate in Toronto and they had to withdraw their support.

When we went ahead with our court application, it was the London Police Services Board, the Windsor Police Services Board and the Sarnia Police Services Board that ultimately took it forward before Justice Brown.

We went to get a declaration from Justice Brown to the effect that the act could be interpreted in such a way that it could curb abuses. Up to that point, the commissioner's position was that the act is clear that you must give the information and there is no reason not to. We took a different view of the interpretation of the act, and Justice Brown gave a ruling and indicated that we should now go back to the commissioner for the purpose of a public inquiry into that aspect of it, and that's what we did.

That was in late August. There was a reserved decision until October, at which time Commissioner Wright gave us a decision that said he agreed with us that he thought the act was broad enough to allow him to curb abuses. However, he felt only he could curb the abuses. He didn't think the institution should have any right to make an initial decision, and that was where we disagreed with him.

That's why we think this initiative in this legislation is the proper one, because it does say to the head of the institution: "You've got the authority. You must be reasonable, you must be fair, and unless you have a very good, cogent, reasonable reason why you will not give it, you shall give it." We think it answers those questions.

The Chair: Ms Cunningham, that's the end of the time for the government caucus. The opposition caucus.

Mr Gerretsen: My question is to Mr Brown. You realize that your position with respect to the police services boards is directly contrary to the city's position as presented by deputy mayor Hopcroft earlier.

Mr Brown: Yes, sir, I'm aware of that.

Mr Gerretsen: Just so we're clear on that. I've been both chair of a police commission and the mayor of a city at one time, so I know the nuances involved there.

Aren't there basically two issues? There's the issue of who ultimately controls the budget, and there's the issue of the composition of the board. Let's deal with the composition of the board. Do you have any problem with there being more municipal representatives than provincial reps on a board?

Mr Brown: I'm happy—and I speak for the chief—with the way the board is composed now, which is three provincial and two municipal.

Mr Gerretsen: That's the way you'd like to see it stay.

Mr Brown: Yes.

Mr Gerretsen: The second issue is that I take it you like the ultimate control over the budget being not by council but by the Attorney General.

Mrs Boyd: The Solicitor General.

Mr Gerretsen: Well, by the province. You prefer that because they are less likely to cut you down in funding. Is that correct?

Mr Brown: No, it's a matter of accountability more than that. Funding is inextricably linked, in my respectful submission, with control, and when you have funding and ultimately control at a municipal level, the police are accountable at a municipal level. We see it as essential to have a separation between the police and the local municipality.

1520

Mr Gerretsen: You realize, of course, that what the minister has said is that he will write in by way of regulation the fact that police boards are not part of this act, and you realize that once it's by way of regulation, it could be changed at any time at all without any further debate, consultation, but with just the stroke of the pen.

Mr Brown: That's the concern that I expressed under section 210.4, sir.

Mr Gerretsen: All right, thank you.

Mr Crozier: Mr Gerretsen didn't leave me an awful lot to talk about.

Mr Gerretsen: I've got a few more here.

Mr Crozier: But at the very least, I should say hello again to Mr Caskey, because in the town of Leamington we worked together when I was mayor.

Mr Caskey: We did indeed, sir.

Mr Crozier: I'll just go a bit on what Mr Gerretsen had said, and I know you made the comment that police services are different because they protect public safety. Others would argue, in the education field perhaps, that education is equally important in its own way.

I'll put my municipal hat on because I want to be convinced, as I have been up till now, that police services boards should be separate. But police budgets are a significant part of a municipality's expenses, and in the case of small urban municipalities, if you take out county costs and education costs, police services are the next highest cost.

How can we get this accountability and make the taxpayers of a municipality feel, through their council, that they have some control over expenditures, and a major one like police services, and yet not have a police services board that has to respond to municipal council?

Mr Brown: I suppose that if you're tying in those who collect the taxes and those who distribute the taxes with being those who also ultimately control the police service, then logically, from my point of view, it would be better to go to the provincial level and fund all policing from the provincial level rather than municipally. Myself, I would prefer to see that than to see power turned over to the municipal government.

Mr Crozier: Thank you. I'm glad you said that because I can recall, again, where there were certain dictates that came from the province to municipalities and yet the municipalities felt, "We have little control over this. You dictate the service we provide. You provide us with X number of dollars, but above and beyond that the municipality has to raise the money," and therefore raises it through taxes, of course.

I would hope the government might take your suggestion and that if police services are going to be controlled by the province and are going to be equitable across the province, perhaps that's something that should be reviewed and it maybe should be one of those things that should go the other way from what we're doing at the present time.

The Chair: Mr Phillips, you've got one minute.

Mr Phillips: It's completely unexpected. I'd just highlight, because I'm not sure the public appreciates fully this issue that you've raised, and the distinction: Right now this bill goes forward and the government has shown no intention of changing it. What it does is to put the discretion in the hands of the minister to determine whether they want to have police services boards as they currently are or a committee of council. The debate is over. The debate will be over on this issue from the Legislature's point of view at the end of January, because thereafter it is in the hands of the minister.

I guess your strong advice to us—are you speaking here on behalf of the London Police Services Board or the provincial police services board?

Mr Brown: I, sir, am speaking on behalf of the chief of police and the Ontario Association of Chiefs of Police.

The Chair: Thank you. You used your minute very effectively, Mr Phillips. The third party.

Mrs Boyd: Thank you for your presentation. I share the concern you've raised around police services boards, and given the very forceful comments of London city council representatives this morning and some of the other presenters around police services boards being no different than other boards and agencies, I think it's extremely important that we clarify why it's different.

What are the dangers of having the municipal council in control of both police policy and budget-making? Where does the danger lie? Where is the conflict of interest, which we really know we're talking about there, and how does that affect us as citizens? What is the citizen's interest in this? Because the claim of many people is that this is simply a self-interested position. I think it's important to somehow get on the record that this is of interest to everyone who lives in a community that is policed by a municipal police board as opposed to the provincial police.

Mr Brown: I certainly don't mean to impugn the character of anybody who is currently on the present municipal board, but historically, in the past, and particularly in some smaller centres, there have been difficulties with the concept of a committee of council inasmuch as the police, who are working very closely with these individuals, wish to have perhaps a change in policy, a change in direction. Not everybody on council sees things the same way. Officers will team up with individual members of council and whisper in their ears, and pretty soon you've got a dialogue going on at that level.

Mrs Boyd: A politicized dialogue.

Mr Brown: A politicized dialogue. Exactly. And that's exactly what we want to avoid.

Mrs Boyd: I would agree with you, but I also agree that there is a problem around the budget issue. Certainly when we went through all the discussions around disentanglement, one of the issues for the municipality clearly

was—and you have to admit there has been a very bad history in the last few years of police services raising public fears about public safety, using statistics to show that they need more and more police officers, and that becoming offensive to those who are budget-making around the whole situation.

Can you suggest a way, in this discussion that the Solicitor General claims he will have over the next year on the Police Services Act, that the interests of an independent police services board and the interests of the tax-raising municipalities can somehow be reconciled?

Mr Brown: First of all, I would take some issue with your suggestion that the police fearmonger in order to raise money for more police officers. In London, for instance, our per capita is $125 per citizen, something like that.

Mrs Boyd: I wasn't talking about London. I know we are leanly policed in London.

Mr Brown: We always try to do the best we can with the resources that we have. But I think conceptually what you have to look at is a police services board that is a professional board governing professional people, if you regard policing as a profession, which we certainly do, and in order to effectively lay down policy and lay down procedures, there has to be a clear and cogent understanding coming from above down to everyone below. In my submission, you don't necessarily get that when you've got a slate of elected officials, with all due respect to everybody here, who come through every couple of years at the municipal level. There is a professionalism there.

Mrs Boyd: The firefighters were saying a similar kind of thing. They're in the other situation where they are very much the servants of the municipality and saying that there ought to be a standard that has to be met before municipalities can decide they can't afford to pay. So that's one issue.

Just relating to the privacy of information, I think it is a shame that two individuals, who have harassed me as well, have brought about a change that in effect has a very real meaning for a lot of people. Of course, in the best of all possible worlds, every citizen in a jurisdiction would trust their police chief. The reality is not that. The reality is that people have in the past experienced and continue to experience difficulty in receiving information that they believe ought to be public under the Freedom of Information and Protection of Privacy Act. In fact, with how you formulated it, Mr Caskey, we wondered why we would have an act. If all this could be done at the local level, why do we have an act at all? Well, we have an act because people weren't getting access to information. The media wasn't getting access to information; citizens weren't getting access to information.

So it seems to me that in trying to correct one problem that was a very real problem and a very expensive problem but involving two very unique individuals, we now have a change in law which may make it impossible for the ordinary citizen and for the media to access the kind of information in an appropriate way. I think that's a very serious overreaction and I think the privacy commissioner has suggested a compromise that needs to be looked at. He cannot just simply take someone's word—I mean, perhaps on UFOs we could, but on most pieces of information. I know, having run an institution, I would like to be able to say to people who ask me to do a lot of work, "I don't have that information." It may or may not be true.

1530

Mr Caskey: In fact, I think you make some assumptions that just aren't quite right. I think that anybody who's in the position of a chief of police, and indeed in most institutions the head of that institution, is there because they're rational and reasonable people for the most part, and they are there to administer the oath of office which they've taken.

If the request is reasonable—and indeed we have negotiated some. For instance, where someone wrote in and asked for the size of boot of everybody in the department, you say, "Now, what's that got to do with anything?" Well, the answer was he was a boot manufacturer and he wanted to know whether he should make boots on spec. Certainly. So when the reason for it was given, the rationale being there, it was something that sounded a little bit more than just a UFO sighting.

I think that as long as reasonable people dialogue together, you can come up with a proper result. I don't know of any citizen who's put a reasonable request to a police service and been denied access, providing they didn't want it yesterday. If they walk in the front door and say, "Give it to me now," they're likely to be turned down because they're not just there to answer for some of the demands on the spot. So I think some people have a misunderstanding of time frame, but I don't know of anybody who's been denied information where their request was reasonable and the time frame was reasonable and they put it in the proper perspective.

Mrs Boyd: Would you agree with his definition of—

The Chair: Thank you, gentlemen, and Ms Boyd. Unfortunately, we've come to the end of your half-hour.

Mr Caskey: It sort of has its own definition in law.

The Chair: We appreciate you coming forward to make your presentation to the committee. Thank you.

MEGAN WALKER
JOE SWAN
SHEILA DAVENPORT

The Chair: May I please have Megan Walker come forward. Welcome to the committee this afternoon. Thank you for coming. You have half an hour to make your presentation today. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if all three of you would read your names, and your affiliations and organizations, or not, into the record for both Hansard and the committee members.

Ms Megan Walker: Thank you. My name is Megan Walker. My municipal address is 237 Windsor Avenue in London, Ontario, and I'm a member of London city council, but I'm here today as an individual. I would like to introduce two of my colleagues who are with me: Ms Sheila Davenport, also a member of London city council, here as an individual as well; and Mr Joe Swan, again a member of London city council. But we are here today as individuals.

We would like to speak to you today about three key concerns: equity in service, shifting of decision-making authority, and the appropriate process that will produce supportable outcomes for residents.

Let me start with equity, equity in the sense of dealing fairly and equally with all concerned. Equity in service is essential in ensuring a healthy community and high quality of life for everyone.

The two specific areas of Bill 26 which we are addressing today that threaten this principle are user fees and access to information. The user fee concept, as intended, is quite simply another form of taxation. Its purpose is to replace the amount of funds by which the provincial transfer payments have been reduced. While politicians call this downloading, the public call it a regressive form of taxation.

We remind you that we currently have an efficient and fair tax: personal income tax. We find it disconcerting that the Harris government has not only promised but has relished a 30% personal income tax reduction when, truthfully, the means to achieve this will result in significant negative, long-term financial consequences to the local taxpayer.

Furthermore, user fees will cost those who are less wealthy and have already suffered as a result of the Harris cuts more than their fair share. Income tax is a graduated fee; user fees are not. User fees for the purposes of revenue generation should not be identified as a taxation tool for municipalities. Due to drastic reductions in provincial transfer payments, they are being offered as the only alternative to severe cuts in municipal programs and services. This so-called tool is nothing more than shifting from a provincial level to a municipal level a cost which will ultimately cost the taxpayers a lot more in the long run and significantly increases the risk of further deepening the unprecedented polarization that has occurred since the election of the Harris government.

The second issue that threatens equity and fairness are the amendments proposed in legislation to access to information. The purpose of the Municipal Freedom of Information and Protection of Privacy Act is to: (a) provide a right of access to information under the control of institutions in accordance with the principles that (1) information should be made available to the public, (2) necessary exemptions from the right of access should be limited and specific and (3) decisions on the disclosure of information should be reviewed independently of the institutions controlling the information; and (b) to protect the privacy of individuals with respect to personal information about themselves held by institutions and to provide institutions with a right of access to that information.

The amendments to schedule K contradict the act's very purpose. Allowing or imposing a fee for information beyond cost recovery will most definitely deny individuals with scarce financial resources the right to know what is happening in their own government and, further, denies these same individuals with access to their own personal information.

The amendments do not include a provision to permit the head of an organization to waive the application fee in appropriate circumstances, such as financial hardship. Further changes to the act will result in what can only be described as a money grab. Individuals will be required to pay an application fee, a fee for a search of records which could result in denial of access and then an appeal fee to challenge the denial. If unsuccessful in challenging the denial, individuals will have spent money without receiving any information.

Clearly, more thought, study and consultation with the office of the Information and Privacy Commissioner is required if residents are to be granted their right to know what the government is doing.

Mr Swan will now address our concerns regarding the shifting of decision-making authority.

Mr Joe Swan: Thank you for coming to London to hear from our community. An important issue we want to raise for the committee is one I'm sure you've heard on many occasions but we think it bears repeating, the sheer scope of transfer of power. It seems to withdraw power from a number of different bodies and communities and put it solely in the hands of the minister and into the hands of individuals in Queen's Park.

Specifically, we're really concerned about the overall powers to particular ministers that is spread out throughout Bill 26, powers that will provide the opportunity to eliminate public debate. It will eliminate, we feel, due process in the discussion of those very changes that are going to affect local communities. With one stroke of the pen, the minister can change the face of Ontario with little debate, little public consultation, little input, and the very people who are required to implement those changes may not be aware the change has been made, nor the process used to make that change, and consequently have grave difficulties in even implementing the changes that are put in place.

1540

A third area we're concerned about is what appears to be a growing number of opportunities for somewhat top-down decision-making structures in which provincial governments, whether it be this one or others, have unilateral opportunity to impose new fees, new rules, new regulations and basically impose a significant amount of new will, provincial will, on local communities. It's of grave concern to us.

This transfer of power—I think we would all agree on the importance of the Legislature as a place for public debate and public policy consideration. We're concerned that the shift in these new powers may put that debate into the hands of the minister and exclude the legislative process and the very committees, such as this one, in which you can hear public debate, and we're concerned that while Mr Harris has been effective in streamlining government, reducing cabinet and so on, the increasing number of decisions and an increasing amount of authority placed in the hands of the minister—I think those two goals are going to end up in conflict. You have a reduced number of decision-makers with a greater degree of decision-making. We're concerned that, given the pressures on all decision-makers at all levels of government, you're going to run into somewhat of a gridlock in how decisions will get made. Less people to make more decisions equals, in our view, problems on the way, and it doesn't make effective use of the committee or the legislative structure.

Secondly—and this comes a lot from the experience in the annexation process—the schedules that deal with annexation and alteration of community boundaries: Certainly the annexation process that we had to go through in this community could only have benefited from the ability of communities themselves to be involved in the process, and transferring that power again into the hands of ministers to make these decisions does not bode well, in our view, for good boundary alteration and good commitment to the kinds of structures you want to put in place. I certainly had several disagreements with how that annexation process worked in London, but none the less the ability to debate that with colleagues and with citizens is something we should not lose sight of. We feel that in particular those amendments and those changes are going to exclude the kind of debate you'll need in order to get the communities you want in the province of Ontario.

I think the last point that we're trying to raise is this area around new rules, regulations, fees and duties on local decision-making boards and commissions. It appears to us that the provincial government is repositioning itself to move from someone who was an enabler and a facilitator for community growth and economic development and healthy communities into somewhat of a position of a de facto ruler who will understand the rules of the game and pass them and we will somehow know how to implement.

It seems to be a shift in thinking, a return to a somewhat centralized form of government, and we are concerned that there are over 800 communities in this province that are willing to be partners with the provincial government, have tremendous strengths they can offer, and the shift in powers into a more centralized decision-making, specifically into the hands of a cabinet decision-making authority, is going to bypass the very communities that I think you're trying to help. We're very concerned about that tone in the document. I think we really need to come back to first principles about local input, local control, local decision-making and, within environments like this, hearing the public debate on issues. We're very concerned, I think, that we're moving beyond that.

As an example of how local input and local control can be effective, I'd like to turn to Ms Davenport, who's going to talk a bit about the Vision 96 process that we in this community have gone through that we found to be very helpful in the decision-making.

Ms Sheila Davenport: Over the past three years, London has undergone an extensive community consultation process, which was mandated by the previous government, known as Vision 96. This intensive community consultation allowed Londoners an opportunity to clearly define the kind of city they would like to see for the future. Over 5,000 Londoners responded to this consultation, and their valuable input assisted the city in creating seven plans, including a community service plan, an economic plan, an environmental plan and a land use plan, which we are still in process of doing.

Vision 96 recognizes that planning should occur in a holistic, interrelated manner to ensure a healthy community and a high standard of life. London is one of the very few municipalities to have engaged in a public consultation process of these dimensions, and the overriding message is that the public expect to be more closely involved in both planning and decision-making matters.

What about the process engaged in by this government—your government, Mr Chair? Londoners have requested copies of the bill and have found them difficult to obtain. I have personally been asked for copies of them. The bill implements some draconian changes, and the public wants and needs the opportunity to understand these changes. Many groups and organizations have been denied their right to present their views.

Such bills, at best, are long and difficult to understand, and this one is of an enormity and complexity creating, I believe, three new acts, repealing two acts, amending 44 others. It's a complexity that is staggering. The grouping of these acts covers a spectrum of issues affecting all aspects of our community life. We need to know, for example, how user fees, access to information and health care changes will impact our lives.

Reference is often made to the mandate of the Harris government. It is important to remember that of all the registered voters in the last election, the Harris government received only 28% of the eligible vote: 38% did not vote, 19% voted Liberal, 13% NDP and 2% voted for others. The vote for the combined opposition was 34%, or 6% more than the Progressive Conservatives. This does not constitute a mandate for unilateral change.

This bill needs more study, input and debate from all interested stakeholders. We expect that you will extend these hearings, and above all we expect that you will honour the democratic process.

Ms Walker: In summary, we are concerned about equity in service, particularly as it relates to user fees and access to information; the shifting of decision-making authority from the community to Queen's Park; and a process which is tokenism at best. We suggest the following recommendations:

(1) Don't hide from the truth. Call user fees what they really are, additional taxes, and accept responsibility for placing municipalities in the position where they have no choice but to impose this additional tax.

(2) Consult with the office of the Information and Privacy Commissioner and follow its advice. There is no organization more experienced or knowledgeable on this issue.

(3) Inclusion of public debate and process must remain fundamental to restructuring of governments and their boundaries.

(4) Ministerial powers need to be restricted to those that will support local decision-making.

(5) Ministers should focus their decision-making powers in a manner that will lead to partnerships with communities, rather than imposing new fees, rules or duties without appropriate consultation with the people and communities that are affected.

(6) Extend the hearings to allow for meaningful, all-inclusive participation and debate from all individuals, groups and organizations.

(7) Understand and accept that the Harris government has under no circumstances been given a mandate for unilateral change. While the Harris government's initiat-

ives may provide a favourable response to the bottom line of the budget this year, the long-term financial consequences threaten the economic health and wellbeing of our communities. Failure to recognize the implications of what is happening is nothing more than irresponsible political decision-making.

In closing, we would like to know when we should expect to hear back from the committee about what action will be taken as a result of our input. Additionally, we would like to know when the voters should expect to know the implications of this act. The voters, the majority of whom did not vote for this government, expect answers and accountability.

1550

The Vice-Chair: Thanks very much for your presentation. We have roughly three and half minutes for each party to comment or have some questions. We'll start with the opposition party.

Mr Phillips: I appreciate the presentation. In answer to your question about when you'll know the implications of the act, I think you should expect that the act will pass on January 29, because nothing the opposition can do is going to stop that. I gather that many municipal councils want to take their fees up very, very quickly, so the public should begin to see the fees going on almost immediately. Certainly our understanding from the mayor of Mississauga, the mayor of North York, is that they are anxiously awaiting this.

Mrs Boyd: And the mayor of London.

Mr Phillips: I didn't want to raise this, but—

Ms Davenport: Don't be delicate.

Mr Phillips: According to the press reports, I gather city council can hardly wait—not all city council, but city council in total. They can't even wait four more weeks for more debate on the bill, because I gather that city council's anxious to get on implementing fees.

By the way, when the government gave us a briefing note on this, it said the reason for this legislation is to provide what they call "unlimited flexibility," thereby overriding all existing limitations on user fees. This is like the Wild West of user fee time. There are no more limitations on user fees.

Ms Walker: I really appreciate your comments. What we were referring to more specifically is in relation to the Harris government. Surely to God a government would not impose an act like this on communities without considering the implications. We would like to see the implications as they have determined them so far.

Mr Swan: I wonder if I could address this notion of user fees. If I were to wear the corporate hat, the corporate interest of a municipality, when one is faced with drastic cuts one is required to find alternative sources of revenue. When one has the responsibility to deliver service, one needs to quickly respond to those demands.

But I think it is safe to say that if one were able to take off that corporate demand to balance your budget, if one could remove that imperative, one would take a step back, as I think this group has, and say, "Is it in the long-term interests of the community wellbeing to move away from a fairer taxation system for the delivery of service into the imposition of user fees?" We would say as a fundamental principle that is a wrong direction. You're moving away from a fair system into an unfair system.

I respect Controller Hopcroft's presentation and the council's vote because of demand, because of pressures to balance budgets. If one had one's druthers and said, "Do you support the implication of user fees as a fair way to deliver services?" I think you would have a far different answer.

Mrs Boyd: Thank you very much for your presentation. The answer, Ms Walker, to your comment is that they haven't done any impact studies. In fact, one of the things we're seeing as we go through these hearings is that when you look at the multiplier effect of all the changes they are doing through the budget cuts, through this act, through the changes to the municipal planning act, the multiplier effect is quite enormous. It seems very difficult to get people's minds around the overall impact, particularly on specific groups of people. We had PUSH here this morning talking about the multiplier effect for disabled people. I know seniors have brought up the same thing. Those of us who work with youth and children know that's the case.

In terms of the planning issues and the Municipal Act changes, which are central to your presentation, we would like to think that the very painful and difficult experience we've been through in London over the past 13 years around the whole issue of annexation and planning might be seen by this government as a useful blueprint for what is wrong about this process sometimes and what could be better.

I'm as discouraged as you are that this puts in the hands of the minister decision-making that makes it expedient. Sure, they can do it fast, but we know from our experience here in London that fast isn't necessarily good and that without all the balances and all the planning things through Vision 96, we might have had a disaster on our hands that could have split our community. I wonder if you'd like to comment on that.

Mr Swan: Being a member of a group of citizens who dealt with the annexation process, it's the dialogue and debate that is the important point of view. It is the ability to manage change within your own environment that's important. Drawing a line on a map is not the imperative that's the problem. It's managing the change process, building community support, understanding roles and relationships, understanding the differences between agricultural communities and urban communities. If you don't initiate debate, policy and planning, you put the minister in the role of simply drawing lines on a map, and that does not bode well for the province of Ontario, to have restructuring on a map as opposed to building healthy communities through dialogue and debate.

That's what we learned in this process, and once the annexation process is over, the dialogue continues, it keeps going. As it stands now, we have effective planning tools in place, we have a good process outline, we have the opportunity for people to know that when you've got a problem or you're in conflict, you know who to talk to. If you leave it in Queen's Park, no matter how wise the minister or how much attention they pay to detail—you need to build it in the community. That would be my message to you, to keep that debate opportunity open, and rights of appeal and the ability to talk to people. It will stand well for your government and future governments for the province of Ontario.

Mr Hardeman: Good afternoon. I want to stay on the same topic, the restructuring issue and your involvement in London-Middlesex and the process gone through in that. I believe there was ongoing consultation among the parties prior to the minister of the day, Mr Cooke, appointing an arbitrator. Mr Cooke can correct me if I'm wrong, but I believe he agreed when the arbitrator was appointed, or at least very early on in the process, that he would implement the recommendations the arbitrator put forward. Recognizing that he was a minister in a majority government, he was of the opinion that regardless of what the process would be to implement it, the end result would be that the study would be implemented as his appointed arbitrator suggested. I'm just pointing out that the consultation process was the local consultation that you're referring to, the debate that's required within your community as opposed to debate in Queen's Park.

In the present legislation, the minister would appoint a commission. I suppose we could suggest that it's the difference between calling them commissioners or calling him an arbitrator, the end result being the difference between the minister being able to do it by regulation and implementing it as opposed to doing it by legislation. I was wondering if it would solve your concerns if we inserted in the legislation that the commissioner must conduct public consultation in the affected municipalities.

Mr Swan: It certainly would be an added element and one I think we all could support. I think it's important to remember the historical context as to how Mr Cooke and others came to the decision of an arbitrator and commission. It was at the request and with the full participation and knowledge of the local communities themselves, seeking some advice and support as to how to move through a very complicated process. It arose out of 12 or 13 years of public debate and forum, both parties recognizing, as in the collective bargaining process and others, that there was need for third-party intervention.

1600

You see, the difference in philosophy is more of a grass-roots and move it up, and, when the provincial government is needed for assistance, to come and request your help as a partner in the process as opposed to appointing a commission that says, "Thou shalt do the following things." I think there's quite a different shift. But certainly your comments would be welcome.

Ms Davenport: If I could add to that, Vision 96 had enormous response from the public in terms of input. It really has been quite unusual, the input people wanted. This is what we're very interested in seeing is possible with your legislation.

Ms Walker: And, more important, how the input made it through the output stage, which is the most important thing. What we learned from that public input was phenomenal, and how that changed our direction in a more positive way needs to be recognized. You're talking about process. I'm curious to know why there's been such loss of public participation during these hearings.

The Vice-Chair: We're out of time right now. Sorry.

Ms Walker: Saved by the bell.

The Vice-Chair: Thanks for your presentation.

Ms Walker: Just one question, Mr Chair, before we leave. When can we expect to hear about our input making it through the—

The Vice-Chair: I do not know.

Ms Walker: Is there some way I can find that out? Will somebody contact me to inform me of that?

The Vice-Chair: I do not know what the process would be in terms of responding to that type of question.

Ms Walker: When do you expect to know what the process will be?

The Vice-Chair: What the committee has been mandated to do is to conduct the hearings. We're going to have one more week of hearings in other parts of the province and then we're going to have a clause-by-clause review in Toronto the week of the 22nd. Then we're expected back in the House on the 29th.

Ms Walker: Is there any way we could contact somebody to make sure they know we would like to hear from them as to how our input was accommodated?

The Vice-Chair: All I would be able to say is that each party will be tabling amendments this week. Certainly if you want to get in touch with your local MPP you can monitor it that way. Thanks very much.

LONDON AND DISTRICT LABOUR COUNCIL
CANADIAN LABOUR CONGRESS

The Chair: Our next presenters are the London and District Labour Council and the Canadian Labour Congress. Welcome. You have half an hour to make your presentation, which you may use as you see fit. You may wish to leave some time for questions and responses. I would appreciate it if you would begin by reading your names into the record.

Mr Rick Witherspoon: My name's Rick Witherspoon. I'm the president of CAW Local 1520, representing about 3,000 workers at the Ford plant in Talbotville. I'm also the president of the London and District Labour Council, representing approximately 20,000 members.

My co-presenter today is Sandi Ellis, who is the southwestern Ontario regional representative for the Canadian Labour Congress.

On behalf of our over 20,000 affiliated members, the London and District Labour Council is happy to have the opportunity to participate in the hearings on Bill 26, the Savings and Restructuring Act, 1995. The bill has been more aptly described as the bully bill, despicable, dictatorial, astonishing, controversial, octopus-like, and a bill that was prepared with military-style secrecy.

At the outset, we must clearly state our deep and profound opposition to much of the contents of the omnibus bill while also condemning the undemocratic process in which the current government is forcing it upon the citizens of Ontario. Had it not been for the tactics of civil disobedience employed by both opposition parties on the floor of the Legislature to protect the normal and democratic process, we would not be before you today, as this government would have proceeded in ramming through another piece of highly regressive legislation, once again with no consultation or debate. We congratulate the opposition for the stand they took.

Regardless of how one views this current agenda, surely a bill capable of imposing such sweeping changes impacting on public service and with the power to completely change the landscape of our community both deserves and demands close scrutiny and public input. This legislation has the ability to create three completely new acts, totally repeal two acts, and amend 44 other acts. To clearly understand the impact of this bill, one would have to review over 2,000 pages of text. I will suggest to you today that on the day the legislation was introduced, very few, if any, MPPs had taken the time to do just that. I will also submit to you today that very few, if any, MPPs to date have taken the opportunity to closely examine all the changes proposed to the 47 acts that will be affected. You are moving too fast, you have gone too far, and you are making mistakes.

This bill, if it is passed, would vest in cabinet and the ministers of the crown the ability to make decisions affecting the delivery of public service without any parliamentary debate or public input simply by making regulations or administrative orders or by ministerial direction. Decisions affecting access to public facilities and resources, denial of unspecified public benefits, loss of earnings and the disclosure of confidential information would be granted to cabinet and appointed officials without traditional procedural safeguards, in many cases without the individual right to a hearing or the ability to court-appeal. The bill empowers cabinet or ministers to make regulations or to issues directions that would override existing contractual agreements, thus rendering existing binding agreements void while putting in place provisions that ensure that court action could not ensue. It appears the government intends to isolate itself from the liability arising from any future court or tribunal decision.

Although health issues will be addressed at a later date, it goes without saying that schedules in this bill provide the Minister of Health and cabinet the unilateral power to fundamentally restructure the delivery of health care in this province, contrary to commitments in the Common Sense Revolution clearly stating that there would be no cuts to health care spending or that "Under this plan there will be no new user fees." One thing is becoming abundantly clear: Trained medical practitioners will be exporting their talents and skills south of the border in alarming numbers if this government continues in this direction.

Amendments to freedom of information legislation will limit or totally restrict access for certain individuals while apparently increasing access for others.

Pay equity legislation will be gutted.

The provincial government will be provided with the unconstrained power to restructure municipal government while providing municipalities additional powers to charge user fees for various services, downloading provincial responsibilities on to municipal governments.

As individuals continue to examine the contents of this bill, it becomes very clear that the full implications of additional powers granted to cabinet and ministers will not be assessed until they can legally be challenged. Could this be what the Harris government is counting on?

We will now continue to examine the amendments to a number of the various statutes in more detail.

Schedule Q places serious restrictions on the current arbitration process affecting many public servants. The bill implies that, given the essential nature of work provided by many of these workers, the terms and conditions of collective agreements must be determined by a process of compulsory interest arbitration rather than having the right to free collective bargaining, with the right to strike. Under the proposed legislation, traditional methods of bargaining have been set aside, with new criteria placed on arbitrators prior to resolving disputes: the employer's ability to pay in light of its fiscal situation; the extent to which services have been reduced if current funding levels are not increased; the economic situation in Ontario and in the municipality or municipalities concerned, except for the Public Service Act, where the economic situation of Ontario is to be considered; a comparison on the terms and conditions of employment and the nature of work performed with other employees in the broader public sector; and the employer's need for qualified employees.

1610

Clearly, such provisions constitute a significant disruption seriously impacting on the integrity of the arbitration process and must be challenged.

Arbitrators have indicated that where ability to pay is used as part of any determination, the process is largely irrelevant, since governments and employers may simply adjust budgets accordingly, resulting in reduced employee compensation. Such provisions seriously jeopardize the collective bargaining process as there is little incentive for employers to bargain in good faith when using ability to pay leaves an arbitrator with no choice but to rule in favour of the employer.

Arbitrators have held that ability to pay is no more than a willingness to pay. One could simply conclude that faced with the government's massive funding cuts, employers will be looking for significant pay cuts, or in other words, a Tory-composed wage control system.

Provincial employees will be deprived of their right to a fair and impartial process for determining the terms and conditions of employment, and the International Labour Organization concluded over a decade ago that if arbitrators are directly appointed by a government which in turn lays down in legislation certain criteria which arbitrators are bound to follow in the determination of awards, it is inevitable that the confidence in the system will diminish.

An added burden will also be placed on arbitrators if they are to consider the extent to which services must be reduced if current funding levels are not increased. One could argue that this has the effect of relieving public sector employers of their responsibility for making decisions for which they could be held accountable, with the full knowledge that such decisions would be governed by the arbitration process.

Ms Sandi Ellis: Schedule J amends the pay equity legislation, repealing the proxy method of pay equity effective January 1, 1997. The proxy method of pay equity was introduced in January 1994 to cover women who were left out of the original Pay Equity Act. This amendment will abolish the right to fair pay for an

estimated 100,000 low-paid women. This amendment is totally unjustified and is a direct attack on the living standard for working women in the province of Ontario and, again, must not go unchallenged.

Schedule K will seriously impact on individual freedom, the right of freedom to information, as two acts will be amended expanding powers to the head of an institution, the right to refuse access to a record where in the opinion of this individual, on reasonable grounds the request for access is frivolous or vexatious, regardless of the fact that the request would otherwise be provided under legislation. Although it would appear that the decision of the head could be appealed, this undoubtedly will result in major delays for access, coupled with lengthy and costly appeal proceedings.

The bill also amends the freedom of information act to require a user fee to be paid upon making a request for information, along with a prescribed user fee when appealing a decision. What is not clear is whether amounts charged will be consistent or whether amounts could differ from person to person. In essence, these amendments are designed to make it harder to gain access to documents and, conversely, easier to deny access.

This has serious ramifications for individuals, while providing a dangerously broad mandate to others. Governments at all levels are entrusted with the responsibility for ensuring individual rights, or is it this government's intention to violate the very intent of legislation on freedom of information?

Schedule L amends both the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act by removing protection for employees covered by these plans. Under current legislation, whenever an employer downsizes significantly, the Pension Benefits Act permits the administrator of a pension plan to declare and the Ontario superintendent of pensions to order a full or partial windup of a plan.

Those affected by a full or partial windup are entitled to certain benefits under the PBA. This bill provides that in order to declare a windup, the administrator must first receive the consent of cabinet. Without a doubt, these provisions are in the best interests of the government as an employer while eliminating the protection for those the government chooses to terminate.

Could it be that the Harris government plans to lay off up to as many as 20,000 government employees, that it plans to add insult to injury by cheating its employees out of between $400 million and $500 million worth of pension money owed to them? This should once again be viewed as a direct attack on the average working men and women in this province and shows the arrogance of this government.

Schedule M should be of great concern to every citizen of this province, as it has the ability to completely change the landscape of our communities. The sweeping powers in this section of the bill amend the Municipal Act to give the government authority to amalgamate, annex or dissolve all or part of a municipality should the Minister of Municipal Affairs receive a proposal from a municipality, local body or locality, or as a result of activities of restructuring established by the minister, seemingly with little or no provision for public input.

Proposed amendments would make it easier to contract out or privatize municipal utilities and clear the way for a whole host of new municipal user fees. Traditionally, prior to any form of municipal privatization or selloff of a municipal service, the municipality would be required to hold a referendum. These proposals eliminate such a requirement. Again public input is denied and democracy goes out the window.

Could it be that as this government has already taken steps to ensure that its employees will be denied successor rights, as communities are restructured and municipal jobs are contracted out, these employees will also lose successor rights? This government would once again be ignoring its responsibility with regard to provisions in existing collective agreements.

The bill provides municipalities with the new ability to collect and increase licensing fees while also providing new generalized taxing authority. The bill provides that fees or charges may be levied for any service or activity or for the use of its property, with the nature of these things charged apparently unlimited. Provincial downloading appears to be the order of the day.

Your constituents are not naïve and will surely hold you accountable. As licensing fees are increased, user fees imposed for use of public parks, cuts made to services such as snow removal, garbage collection, public transit, water and sewer services, and closures of hospitals and libraries take place, the electorate will respond.

Schedule D of the bill authorizes the government to borrow up to $5.6 billion during this fiscal year alone from capital public markets, international loan markets and the Canada pension plan for the consolidated revenue fund in order to discharge any indebtedness or obligation of Ontario. Could it be that this is how the Harris government intends to live up to its deficit reduction targets, or could it be that this is how Mike Harris intends to finance his campaign promise of a 30% tax break? The bottom line is that at the end of the day, the provincial debt will have been increased by $5.6 billion and the electorate deceived once again.

This bill is drastically flawed. The over 221 pages of the bill contain too much language that is left up to interpretation, leaving one to wonder just what rights will be left for individual Ontarians. Rights of appeal are eliminated, rights of protest are met with an autocratic, authoritarian-like response. What we are witnessing in the province of Ontario is the most undemocratic use of political power ever seen. The Premier of Ontario was quoted quite recently saying, "Give me two years and you won't recognize this province." We believe him.

Should this bill be passed in its current form, it will seriously undemocratize government as we know it and will undoubtedly destabilize our communities. Your constituents are increasingly saying they no longer share your vision. This bill represents the broadest attack on the very fabric of life we all cherish and is one of the most socially destructive bills ever proposed in the province of Ontario. A bill that proposes such sweeping changes, amending so much legislation, requires lengthy and open debate and consultation, yet it appears as though this government is intent on passing it with little or no change, with only one more day of parliamentary debate.

We will conclude as we began: The government is moving too far, too fast. It's far too easy to make mistakes; it's much more difficult to correct them. Thank you.

The Chair: We have about four minutes per caucus for questions, starting with members from the third party.

Mr Silipo: I'll start with one comment on schedule D, because as we understand it, this is the part that allows the government to borrow up to $5.6 billion. I should say that that's not one we're concerned about. Of all the pieces in this legislation, that is probably the one piece the government could have gotten agreement to get passed in a day, because it's a traditional part of the bill that allows the government to borrow money to keep the government running. That part of it, at least as we understand it, is not a problem.

But I thank you for raising a number of other significant points which we've certainly heard about. I just to focus on a couple.

You make the point again, as has been made, on the pension act and the changes there. I know my colleague Mr Phillips has been raising this with a number of other presenters. Certainly we heard very much from OPSEU, when it was before us, in words I think perhaps even starker than yours. They talked about the government basically stealing money from the employees, which I think is what it's doing. But the striking thing here that I see is the government using its power as government to run the way it acts as employer. So it's fudging; it's choosing to fudge that role for itself only, not that it should do it for others, but because we think it's unfair for it to be doing it in this case.

1620

But here's an indication where the government is saying, "Because we're the government, because we intend," as you point out, "to lay off thousands and thousands of provincial employees, we're going to make sure that people in public service, public employees, don't have access to the pension that they have built up over time. I wanted to just sort of flag that to see if you had any further thoughts on that, because that's essentially what's going on.

Mr Witherspoon: I don't think there's any question. I've listened to the discussion so far this morning and the reality is that's exactly what the government is doing. Knowing full well that it intends to lay off thousands and thousands of provincial employees, and the fact that it's already been challenged by the government in the courts and found that it didn't have the right to do that, "what we're going to do now is we're simply going to legislate it so that we now do have the power to do that."

That's causing enormous disruption in the workplaces. It's causing a lot of concern with respect to those people who could very well be on the chopping block. It's a genuine concern. I think OPSEU's position that it is money that's being stolen from them is very, very accurate, and it again shows the arrogance of this government.

Mr Silipo: One of the other points that you make is with respect to the proposed amendments that would make it easier to contract out or privatize municipal utilities. I found it really useful and interesting yesterday when we were in Windsor to hear from the Municipal Electric Association. One of the points they made to us was that in looking at the experience in the US, they could demonstrate very clearly that it is cheaper to the consumer for services like electric utilities to be municipally run, publicly run, as opposed to privately run. Do you have any information in terms of that or other utilities that you could share with us?

Mr Witherspoon: I don't have any information that would contradict that. Certainly the information we've received is that your point is well taken.

Ms Ellis: I'm an elected hydro commissioner in the city of Kitchener and have listened to the MEA, and we do have statistics that prove that publicly owned power is, in the long run, cheaper. Of course, we understand Ontario Hydro is looking at restructuring itself, and the MEA has a position on that whole restructuring process itself and where it sees itself fitting in. But, yes, publicly administered power is cheaper than private enterprise, as is publicly administered health care. We know it. We have the facts to prove it.

The Chair: The government caucus. Mr Sampson.

Mr Sampson: I want to speak briefly about the Pension Benefits Act issue. What's your understanding as to why that particular windup provision is in the Pension Benefits Act? Why is that windup provision in the act right now?

Mr Witherspoon: It is my understanding that the provision is there if there's a significant reduction in the workforce, which is what you're proposing.

Mr Sampson: Yes. It was put in place a number of years ago to provide some protection to the employees. But why? Do you know the reason why that was brought forward?

Mr Witherspoon: Probably it made good sense.

Mr Sampson: Would it have anything to do, do you think, with trying to protect the pension funds of those employees when a corporation basically completely downsized—more specifically, ceased operation and moved on—and the employees were stuck with just the pension fund?

Mr Witherspoon: I would like to think that it was put in place to make sure the workers were protected when they lost their jobs.

Mr Sampson: Clearly, though, some individuals in the public sector do lose their jobs and are not receiving windup provisions. That's happening right now in the private sector and in the public sector, where as a result of the fact that you've lost your job, you don't get immediate access to the windup provisions of the act. The windup provisions of the act are only triggered when basically a company is going out of business. Is it your belief the province of Ontario is going out of business?

Mr Witherspoon: You're obviously closing the doors to some business. The pension plan was put in place to protect workers when they lost their jobs. If that's not working and there are people being put out of jobs now who aren't being provided access to that, then there's something wrong with the plan and we should correct it.

Mr Sampson: That's happening, because there are people who are losing their jobs now and they don't get immediate access to the windup provisions.

Mr Witherspoon: Then correct it, don't dismantle it. Don't take it away.

Mr Sampson: But the purpose of the windup provision is to try to provide protection to the fund that is paying the pension when companies completely close. My question to you is, do you believe that the province of Ontario is completely shutting down?

Mr Witherspoon: When you talk about a significant restructuring, which is what the bill talks about, 20,000, in my estimation, is a significant restructuring.

Mr Sampson: Well, 20,000 is your number. We didn't campaign on the basis—

Ms Ellis: But 15,000 to 20,000 is in the Common Sense Revolution.

Mr Witherspoon: What is your number?

Mr Sampson: But let me ask you one more thing. Who, in your view, owns or is holding the lion's share of the province's debt obligation? Who do we owe the money to? Let me put it bluntly.

Ms Ellis: Who do we owe it to? We know that chartered banks own $80 billion worth of our federal debt. So who owns—

Mr Sampson: Would you be surprised to know that $40 billion and change is actually owed to public pension funds?

Ms Ellis: They are in actuality deferred wages.

Mr Sampson: Over a period of time the value of those debt instruments has declined because successive governments have allowed the credit rating of that paper to decline. Over the term of the last government it declined three times. That fact has had a more serious effect, I'll put it to you, on the value of public employees' pension funds—

Ms Ellis: Oh, give me a break.

Mr Sampson: —than what we're proposing to do. That's a significant deterioration in the value of those funds.

Ms Ellis: What about the federal employees? Is their pension plan as worthless as you think OMERS' and OPSEU's plans are?

Mr Sampson: I'm just telling you that $40 billion and change is owed to public pension funds. That's the money the province owes public pension funds. That was accumulated over a number of years, and the value of that debt has gone down because subsequent credit ratings have deteriorated it.

The Chair: We've come to the end of the time for the government caucus questions. We'll move to the opposition caucus. Mr Crozier.

Mr Crozier: Thank you for your submission. Rather than try and confuse you with a lot of questions, I'll just suggest one that the government should answer, and that is, why should public employees be treated any differently from those in the private sector when it comes to pensions?

Mr Witherspoon: They shouldn't be.

Mr Crozier: It's as simple as that. What they're trying to do is take away $250 million of your money. That's what they're trying to do.

Mr Witherspoon: It's closer to $400 million.

Mr Crozier: You folks, one or both of you, have sat here most of the day and I just want to point out something to you that's as frustrating to us as it is to you. Almost without exception and certainly by far the majority of deputants have asked for more time on this bill, not only more time to have prepared their own submissions but for the public and others to have the opportunity to respond. We've even said to the government, "Take those parts of the bill that are economically urgent and we'll pass those, but please break the bill down and give opportunity for wider discussion." The response has been that, each time we've submitted that resolution on your behalf to the government, it's been declined. So unfortunately your appeals for more time I don't think are going to be heard.

Ms Ellis: I heard Mr Sampson on CBC the other morning with Ms Lankin, talking about the hearings, which were just starting at that time. He suggested that everyone had the ability to write a submission that would be read before the one day left in parliamentary proceedings to do the clause-by-clause. Ms Lankin mentioned at that point in time that over 1,000 people had asked for standing at these hearings and only 200 and some spots were available. Mr Sampson suggested that the rest of those 800 and some people should submit submissions. Ms Lankin then answered saying, "I'm a very conscientious worker, but in hearings from morning till evening there is no opportunity that we are going to have any possibility of reading another 800 submissions."

Therefore, yes, I agree with you. Our plea is to extend the hearings. This is a piece of legislation that is too far-reaching to ever get passed in its entirety in this short a period of time.

1630

Mr Crozier: I appreciate your comment. One more that I might add to it is that often the response has been from the government, "Well, we offered time." That's when the discussion got hot, but that was prior to Christmas. We were going to sit through till midnight and only in the city of Toronto. So I suggest there are some people who have contributed today who wouldn't have had that opportunity had they only been held in the city of Toronto.

Ms Ellis: You're correct.

Mr Phillips: I want to follow up a little bit on the pension thing because one of the government members has. Are you aware that the Pension Benefits Act provides public sector and private sector pensioners certain protections and are you aware that the government tried through regulation to take away some of the pensioners' rights and are you aware that the court stopped it? The court told them they had no legal right to do that.

Mr Witherspoon: Yes.

Mr Phillips: They couldn't get it through the courts; the courts told them they were wrong. Are you aware that now the purpose of this bill is to attempt to override the Pension Benefits Act, to strike down the court decision that ruled in your favour and to take, we've been told, $250 million? You're saying it could be as high as—

Mr Witherspoon: Our estimates are closer to $400 million, and you're absolutely right.

Ms Ellis: They couldn't come through the front door, so now they're in the bathroom.

The Chair: We've come to the end of time for the presentation. I want to thank you for coming forward today to make your presentation.

LONDON AND DISTRICT CITIZENS FOR RESPONSIBLE BUDGET

The Chair: Could we have Mr Geoffrey Hale come forward. Good afternoon, Mr Hale. Welcome to the standing committee on general government. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions or response. I'd appreciate it if you'd introduce yourself and your organization at the beginning of your presentation.

Mr Geoffrey Hale: My name is Geoffrey Hale. I'm a London resident and I've lived here since 1990. I'm here today to represent London and District Citizens for Responsible Budget. We're a group of more than 250 citizens from London and surrounding municipalities formed during the past year to provide support for the reduction of the provincial deficit and the restructuring of government services that is a necessary component of this process. It is a non-partisan organization. We are made up of ordinary citizens from all walks of life, the vast majority of whom have no partisan political affiliation.

This submission will primarily address areas relating to local government and school boards, their operations and accountability to taxpayers. It'll also address procedural questions related to the reorganization of provincial departments and agencies.

We recognize that omnibus legislation is inherently unwieldy and does not lend itself to detailed, in-depth consideration across a broad range of fields. However, in looking at this legislation we believe that a number of amendments are appropriate in order to help the government achieve its declared objectives, and we will be addressing some of those as well.

First of all, we would like to say that we support the government's overall financial and restructuring objectives in Bill 26, even though we feel that some of them may be performed more effectively. Just as no family or business can sustain deficits of 20% to 25% year after year without serious damage, no government can do so without incurring a debt load which will ultimately undermine its capacity to provide necessary and desirable services to its citizens. I think we have all seen under successive governments the fact that citizens are paying more and more in taxes and receiving less and less in services, and therefore something has to give.

Secondly, I'd like to say that we support the government's emphasis on spending reduction rather than tax increases as the major means of reducing the deficit. However, at the same time as it is necessary to restructure government spending, it is also necessary to restructure provincial revenues. We support the government's contention that Ontario not only has a deficit problem, which I think even the opposition members of the Legislature would agree with, but it also has a spending problem.

In analysing spending since the mid-1980s, whether under Liberal governments, under New Democratic governments or under Conservative governments, we can see that spending has steadily grown faster than the population of the province and faster than inflation, while the living standards of ordinary Ontarians, ordinary working people, have in fact declined for most of the period since 1990.

When speaking with our supporters we have found broad support for the general principles of the government's revenue restructuring plan, although that is not a topic that is covered in Bill 26. However, while there is general support for the concept of increased reliance on user fees to support many public services, there is also a strong desire to increase the accountability of all levels of government, particularly municipal governments and school boards for the collection and use of such fees, so that they do not provide an open-ended source of revenue to face the empire-building propensities of certain, although by no means all, elected officials or public servants. We will address these concerns in the section of this submission dealing with specific concerns and proposed amendments.

We also support the reduction in provincial mandates to municipalities and school boards as part of a larger package of measures to assist them in dealing with the reductions in provincial transfers to local government agencies. HALT, one of the organizations that contributed to the preparation of this brief, has been working with municipal governments and school boards in London since 1992-93 to try to help them with that process of restructuring. One of the things we hear from local councillors and from school board trustees is that the hands of local government have been tied, so that even if they feel they could deliver services in a way more responsive to the needs of local communities and the desires of local communities, their hands have been tied. We believe that this legislation, while it is undoubtedly not perfect, is a good step in the right direction. However, I would like to address some questions relating to the direct taxes that may be empowered by this legislation a little later, when we talk about the subject of accountability.

I'd also like to say that we support the measures contained in Bill 26 which require arbitrators to take public sector employers' ability to pay into consideration when making awards. However, we strongly recommend that Bill 26 be amended to clarify this provision based on existing levels of taxation and/or the fees charged for the provision of particular services. It is a basic principle of democracy that tax rates and the tax structure be set by the people's elected representatives and not by courts or appointed bureaucrats. While the courts have long been entitled to resolve the inconsistencies in the application of the tax laws, we believe it is entirely inappropriate that arbitrators be empowered to force municipalities, school boards and hospitals to raise taxes or raise fees they may charge to the general public in order to pay for contract awards. Just as more and more private sector employers have come to link increases in compensation with increased flexibility and improved productivity, we believe that similar patterns can and should be introduced to the broader public sector.

We recognize that many of the measures contained in Bill 26 represent an effort to reverse what some have called the interest group capture of government, in the interests of public sector producers and their client groups in society, rather than citizens and taxpayers as a whole. You gentlemen all have experience in public service, several of you gentlemen have spent time at the cabinet table, and you will recognize, even when it has been your client groups that are at the table, that very often the decisions of government ministries are made in the interests of a small group of stakeholders, very often with the interests of the rest of the general public left outside the room. What this has done is made the kind of changes that one might recommend in a textbook course on public administration increasingly difficult to achieve, given the huge size of government and the embedded character of many of these interest groups. Many of them are fine public-spirited citizens, trade unions, business groups, community groups of all kinds, but just as very few elected officials ever conceive it in the public interest for them to lose an election or for their party to lose an election, I know of very few interest groups who ever conceive it in the public interest for them to lose any significant portion of the funding to which they have become accustomed from government. This is why we have the equivalent of a fiscal emergency here in Ontario today, and why we support the sometimes draconian measures the government seeks to take to correct the situation. We recognize that mistakes may be made, we recognize sometimes the scalpel may become a chainsaw or may be seen as a chainsaw by some people, but we believe that this is unfortunately sometimes, while rough justice, necessary all the same.

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That being said, we would like to recommend a number of changes to the legislation to ensure that, while these emergency measures may be carried forward in some form, they are done in a way which provides for reasonable checks and balances so that the powers of the government, first of all, are recognized by and large as emergency powers and, secondly, that they are subject to the rule of law.

First of all, dealing with the areas of municipal and school board powers of taxation, we believe that there is a serious need to clarify the provisions relating to the revenue-raising powers of local governments and school boards contained in Bill 26. We oppose any measures which grant local governments indiscriminate rights of direct taxation such as local income, sales and poll taxes. Such measures may be used to evade the spending disciplines which are inherent to the government's own restructuring efforts; in fact, we may see an effort to bring fiscal discipline at the provincial level and then lose it at the municipal and the school board level unless there are appropriate checks and balances. We do not believe that property taxes are necessarily the fairest or the most efficient forms of raising revenues, particularly when earmarked taxes can be used to directly relate the costs of providing a particular service to levels of public usage, and we notice that you make room for user fees.

However, we believe that while municipalities or school boards should be given increased powers of taxation, giving them discretion in setting either income or sales tax bases or indeed giving them the opportunity to impose these taxes in the first place is likely to result in federal-provincial tax conflict, increasing costs, increasing complexity of tax collection and the development of private tax deals between local authorities and corporations that may result in the erosion of local tax bases in favour of the special interest and a privileging of certain powerful groups who are competent in the area of city hall politics at the expense of less organized or less expert groups of individual and business taxpayers. For that reason, we recommend that Bill 26 be amended to ensure that its provision for the expansion of municipal user fees including business licence fees should establish clear rules governing transparency and taxpayer accountability in the application of user fees. These rules should include requirements such as the earmarking of such revenues from user fees to specific uses. It's not terribly important to specify, and I don't think it would be productive to specify, in legislation what those uses ought to be, but if city council is going to impose certain user fees we want it spelled out in black and white what those user fees are going to be used for.

Secondly, we'd like to see an annual accounting to individual taxpayers for the use of earmarked funds together with funds from general revenues that would be used to subsidize the same or related services. It's very easy to engage in a shell game whereby one simply shifts money from one pocket to the other without getting better value for money on behalf of the taxpayer as a whole.

Thirdly, we'd like to see widespread public consultations prior to any changes in the terms of municipal bylaws governing the earmarking of funds.

In terms of the subject of licence fees, we have found that the city of London currently imposes 27 different forms of business licences, many of which duplicate licensing requirements imposed by other levels of government. We recognize that municipal licensing may be used to promote the greater good and such things as greater fairness in the distribution of business taxes, the protection of public health and safety standards and other worthwhile objectives. However, we would hate to see carte blanche in the area of licensing so that just as the government is attempting to rationalize and streamline regulations at the provincial level we end up with a whole new range of duplication and overlap between provincial and municipal licensing rules, and we believe that you will have to do something, whether in legislation or in regulation, to provide some guidance to municipalities in those areas.

Coming back to the issue of income and sales taxation, we believe that some municipalities may wish to consider these things as a substitute for property taxes in certain fields, or a substitute for property taxes altogether. Of course, the New Democratic members of the committee may recall the efforts of the Fair Tax Commission to promote that in the area of education. However, we believe that the Municipal Act should empower such actions only, first of all, if there is a clear requirement that any such restructuring of the tax system be subject to approval in a local referendum; secondly, that any such referendum be considered invalid unless ballots are cast

by at least 50% of registered voters; thirdly, that there is a clear requirement that such revenues be earmarked; and, fourthly, that there is a clear requirement that any such taxes must conform to a standard provincial tax base, as provided for in legislation, to avoid the situation where we have different tax bases, whether for income or for sales taxation, in different parts of the province. This would create a tax jungle of the sort which brings to mind the fiscal chaos of the 1930s.

We suggest that a 50% turnout to validate the results of any such referendum would be a reasonable reflection of the popular will and that it would force elected officials at the municipal level to explain and justify their proposals to taxpayers far more extensively than would otherwise be the case.

The other major area that we would like to deal with, and we understand that it has been dealt with at considerable length, not just in these hearings but in the hearings at Queen's Park, involves due process of law and respect for existing contracts. We recognize that many of the powers that the government seeks to implement its objectives are of an emergency nature to deal with a perceived fiscal emergency in the province. We would share the view that we do have a fiscal emergency. However, while governments should have the right to create, reorganize or abolish their own directly funded agencies, subject to legislative authority, in whatever manner would serve the public interest, we believe that existing contractual obligations should be fulfilled or reasonable compensation paid to those whose contractual rights are adversely affected.

We also believe that there should be clear rules laid down, at the very least in regulation although I think it might be helpful in some areas to lay these out in legislation, so that where commissions or ministerial task forces are established to oversee or assist in the restructuring of public sector agencies, there should be clear rules, whether for the use of ministerial powers or for the delegation of ministerial powers to such agencies. I recognize that the Health Services Restructuring Commission is outside the purview of this section of the general government committee, but I think, both from the standpoint of transparency and to ensure that there are clear benchmarks for the use of provincial powers, it would be a good idea for the government to specify this, at the very least in regulation and, where you folks in your wisdom deem appropriate, in legislation as well.

We strongly recommend that elements of Bill 26 which preclude appeals to the courts with respect to the enforcement of contracts or the enforcement of regulatory standards of due process be amended in line with the principles of natural justice. We believe that if the law is straightforward and carried out clearly in accordance with the regulations, the government has nothing to fear from this provision. After all, the courts have shown a capacity to distinguish between questions of due process—have the procedural rules been followed?—and questions of substantive justice, as we've seen in appeals to overrule the changes in welfare rates, which were turned back by the courts, and also to overrule the passage of Bill 8, the legislation abolishing the Employment Equity Commission. So we feel that this is an area where the government could, in effect, build more effectively for the long term if it were to make these amendments to the legislation.

We also believe that the government should observe existing time-limited contracts. Many of our members are union members; many of our members are small business people who do not have extensive power in the marketplace. We cannot expect our members, whether they're unionized people or small business people, to observe their contracts if private sector employers and governments do not set an example by living up to their contractual obligations. No government department or agency should have the exclusive right to interpret and enforce the law.

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We believe that this principle should also apply to the restructuring of public pensions necessitated by future layoffs. As a general rule, public pensions should be subject to the same rules of administration and fiduciary responsibility as private sector pensions. Contributory pensions should not be subject to unilateral change without some form of compensation to those whose present or future incomes will be affected.

We also have a couple of provisions dealing with the merging of municipalities and school boards. We certainly recommend that where the government provides for the merging of municipalities and school boards—and I see that Mr Hardeman is here today and you will be dealing with that area extensively—we suggest or we hope that you will recognize existing communities of interest.

One of the things we've found when the city of London annexed a large part of Middlesex county around the city was that in many cases costs were increased both to the municipality and to newly absorbed taxpayers in the city of London which were not compensated for by any significant increase in the level of services.

There are also very different cultural environments, both employer and employee cultures. Small-town and rural municipalities, as you are well aware, carry on their business in a very, very different way than do large urban municipalities. The same goes for school boards. The kinds of problems that our parent groups have talked to us about with the London Board of Education are very, very different from those of the Middlesex County Board of Education or the Elgin County Board of Education.

We recommend that these communities of interest be respected and that, while there is certainly ample room for the sharing of services and for joint purchasing in these areas, you walk carefully in terms of implementing these powers. Again, in regard to the principle of how you go about implementing them, we believe it would be useful to lay these out in some kind of regulation so that you can give guidelines to municipalities and to taxpayers and other stakeholders as to what their rights and their responsibilities are within the system.

We also believe that the existing division between public and separate school boards should be maintained to maintain a level of choice on behalf of parents, not just between school systems but also between philosophies of education. Just as competition is good for governments when it comes to providing value for money and responsiveness to taxpayers, we believe the same can be said for different philosophies of education being

encouraged and greater parental accountability through such variations being encouraged at the provincial level. There's also the matter of the constitutionally protected right of separate school boards, and we believe that should be recognized and protected.

I've gone on a little longer than I expected to, but given the size of the bill, I wanted to address a number of areas that I think are of concern both to government members and to opposition members and to explain some of our rationale in doing that.

The Chair: Thank you very much. We have just a little bit more than two minutes per caucus. We'll start with the government caucus.

Mr Bob Wood: I want to address the question of accountability for user fees that you raised. Some countries have gone so far as to institute citizens' charters, where if you deal with an entity of government, you're entitled to certain standards of performance and so on.

Would you go that far—obviously it may not be possible to do it in this bill—with respect to municipal services? Would you require them to deal with your application in so many days and so on?

Mr Hale: I think that is something that would have to be done at the level of the individual municipality and the level of the individual school board. I think to replace one set of mandates of that nature with another set of mandates would be the height of folly. By the same token, I think that many municipal officials would probably be able to justify higher levels of taxes and higher user fees for certain services if they made a commitment to deliver certain services in that way. I talk to many business people who say that they would be willing to pay user fees for certain services if they had a commitment that service levels would be maintained at a certain level.

Mr Bob Wood: If you were doing this, would you mandate this? Would you require the municipalities to have their own citizens' charters?

Mr Hale: I don't know that mandating it is necessary. Once it began to happen at certain municipalities, I think that there are enough ratepayer groups and taxpayer groups who would see this and try to promote it in their own communities and that it would probably take hold on a much more widespread basis.

Mr Gerretsen: I just have a question. You start in the early part of your presentation to talk about the revenue side of things and I'd just like to pursue that for a moment. To put it in its most simplistic form, they're taking in $45 of revenue for every $55 for spending, and that's where the $10 difference or the $10-billion difference comes from.

We in the Liberal Party believe that a lot of this is really driven not only by a reduction in the deficit that we support but also in the reduction of a tax cut of about $5 billion that would cause the revenue side of things to go from $45 billion to $40 billion and in effect you'd have to cut out about $15 billion. Where does your organization stand on this? Do you support this tax cut of 30% that the government has been talking about?

Mr Hale: We've looked at the overall revenue restructuring, and I've talked to a lot of people about this. I probably spoke to about 200 people, one on one, during the month of December, talking about this sort of thing, so I suppose that's analogous to the sorts of activities that all of your conscientious folks carry out in your riding offices on a regular basis.

The feedback that I've been getting is that the desire for the tax cut is strongest among middle-income taxpayers. While they see the inconvenience, they also say that it will be worth it if they receive something back. Where we see the greatest resistance, ironically, is among upper-income taxpayers, particularly people in the broader public sector.

When we've talked about the tradeoffs, including the health care surtax, which in effect claws back a very significant chunk—as to how much, I suppose you can have your economist and the government can have its economist and they can all debate the subject until the cows come home—but there has been a general response that the health care surtax is to maintain spending in the health care area overall—and I understand the debate is over the fact that you have to make real savings in the health care field in order to reallocate money for new activities or new services. But we think that that is a reasonable balance.

In terms of the timetables, obviously there are certain tradeoffs and it may be necessary to implement it in a little more of a phased fashion than necessary. We believe that is something that needs to be dealt with as the government goes along, but I think most of our middle-income members are expecting the government to follow through on its promises or they're going to be pretty ticked.

Mr Silipo: Thank you for the presentation. I found it actually quite fascinating because you've covered a lot of ground and I think made some—

Mr Phillips: An omnibus presentation.

Mr Silipo: "An omnibus presentation," my colleague said, and I think quite rightly so.

You're suggesting that while you're generally in support of the direction that the government is going, there are a number of areas that you want clarified by amendments presumably that could be made in order to make sure that we're clear, for example, about what tax powers are being given to municipalities—

Mr Hale: Absolutely.

Mr Silipo: —and then what the extent of the user fees should be. You're suggesting here very clearly, limit those user fees to—

Mr Hale: Not so much the extent as the process.

Mr Silipo: The process. Okay.

The other point that we certainly have heard a lot about has been around this whole shift of powers away from the Legislature to individual ministers. There again I find your comments quite interesting. What you're saying is, if I understood you correctly, there may be some justification for doing that, but at the very least there should be something in place, rules and processes that would still continue to make ministers' actions subject to the normal processes that somebody could question.

1700

Mr Hale: Obviously, there are different levels of accountability. Accountability to the Legislature is one

form of accountability. Accountability on process issues to the courts was a second level of accountability, and obviously there are charter issues as well that any government has to take into account.

I think the bottom line is, those of you who have spent time in cabinet—and I see Mr Phillips here as well as Mr Silipo and Mr Cooke and Ms Boyd—as all of you know, you people delegate a huge amount. All of you have delegated enormous amounts of responsibility in your time in cabinet. You try to stay on top of things, you work exceptionally hard, but the bottom line is you cannot catch everything. You only see that which your officials, with their wisdom and hopefully with their integrity, will show you. I think we all recognize that we can get good advice and we can get bad advice, and sometimes there's a learning curve in determining what it is. You folks all had to go up the learning curve.

There will be times when people make mistakes. I used to work for the public service, and I know there were times when we would try to do things that in effect cut corners or try to expedite things in our own interest. Undoubtedly you have tried to do the same things yourselves in the past. So we think some kinds of checks and balances are necessary.

We're not saying it should be done in a way to be unnecessarily obstructive, and we don't think it has to. Quite frankly, if the government can't write regulations that don't put it in a straitjacket, they're not very clever, and the one thing that we've found in dealing with many senior civil servants over the years is that some of them are incredibly clever, maybe not always in the way we'd like.

The Chair: Thank you, Mr Hale, for coming forward and making your presentation today.

ANNE KHAN

The Chair: May I please have Anne Khan come forward. Good afternoon and welcome to the standing committee on general government. As you may have heard me say, you have 30 minutes to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if you'd read your name into the record for the benefit of committee members and for Hansard.

Ms Anne Khan: Thank you very much. My name is Anne Khan. I'm from Sarnia. I'm a trustee with the Lambton County Board of Education, although I in no way represent the board. I think one of the difficulties school boards are having, particularly ours right now, is that we are waiting with anticipation for things to come down to us that will enable us to deal with the challenges we have, and I guess I'm quite disappointed that there isn't more in this bill for me as a trustee to respond to. Nevertheless, I wanted to take the opportunity that you've given the public for consultation. I think it is a very, very valuable process.

I would like to say I'm really honoured to be in the same room as Dave Cooke. He was a Minister of Education with whom I disagreed on some things, but I think that his dogma, tempered with common sense, is something that is sadly missed.

Mr Cooke: Common sense used to be okay.

Mr Phillips: Let's not get off topic here. Stick to the bill.

Ms Khan: It's an attempt to be inclusive. I am a new trustee. I was elected just over a year ago. My husband is a professional. I work for him. I think in identifying myself, I would go further in saying that I stood for the school board as a trustee because of a previous few years of anger over several issues.

One of them was the sudden implementation of fair market value assessment in Lambton county as a result of the amalgamation of municipalities that resulted in my particular neighbourhood. Several people in that neighbourhood face property tax increases of up to 300%. We ourselves face an increase of 140%.

Following on that shortly, Mr Silipo, was the implementation of the successful effort to implement destreaming, not that I particularly disagree with destreaming, but there were very many reasons why it shouldn't have been implemented in Lambton county at the time. One of them was that there weren't the resources to do all the things that Dave Cooke knows should have been done to make it successful. In trying to make the response I wanted to make to various agencies of government, it irritated me no end that we were paying thousands and thousands of dollars in property tax, in addition to income tax, and there seemed to be no way that school boards, or the Ministry of Education in particular, were accountable to what we as parents at that time were interested in for our children.

I would also like to support the previous speaker in his reference to the Fair Tax Commission. Many of the things that were started by the previous government, like the Royal Commission on Learning and the Fair Tax Commission, found out more about all these issues than I know. I just want to give an overview of my particular concerns.

In general, I do support the intent of the legislation, but I do have misgivings, as other people do, about the haste with which it is being processed. I have a concern also that it may not achieve the intended goal of less government. Having been a trustee for only a year, but having tried to access various levels of government from the outside, I've seen that it's a very difficult process—almost the more levels of government you have, the less accountability there is. But I would like argue against that later in the presentation.

As I said, education is not covered much in this Bill 26. In particular, school boards, some of us, are looking for tools to deal with the cost of the contracts we have, the huge costs of salaries to school boards. We need the tools to deal with that. More than 80% of our budget goes towards salaries. We are certainly a very lean board in Lambton county, so it's not sufficient to say that the cream is down there at the board office; it certainly isn't. There may be some cream within schools in terms of positions of responsibility and vice-principals and so on which could be eliminated, but they are all contractual. So we do need the tools to deal with that.

The tools are not in this bill. School boards continue to wait for the means to make the savings required. You realize, those of you who have been on school boards,

that decisions need to be made now to be put into effect for September 1996. By "now," we're talking about January, so I don't know how this is going to be possible.

As far as local control goes, much has been made in the discussions about the shift of responsibilities to the local level. But I ask you, how realistic a concept is that, when a board such as Lambton county is so much affected by provincial factors in such areas as, as I've mentioned, contracts and collective bargaining, and second, by our dependence on the Ministry of Education funding for programs? Because of our dependence on that funding, we are unable to make the choices that may be relevant and relative to Lambton county.

Those of you who know Lambton county know we have a desperately shrinking industrial and commercial assessment base and a high unemployment rate. We're currently handicapped in making meaningful decisions at the local level because of this. As I said about different levels of government and how much power they have, it seems to me that any changes foreseen as far as Lambton county goes take unto the provincial government more power, because unless you change a lot of different things in education, we are subject to, for example, the provincial government's decision on whether junior kindergarten is valued or not, whether adult education is valued or not, whether French programs are valued or not. We cannot make those kind of decisions locally. Those kind of decisions, because we're so dependent, have to be made in Toronto.

The issue of equity comes in here. Already, school boards across the province vary considerably in their ability to provide services and programs to their students. There is a danger that the funding changes proposed will further increase the inequities in the classrooms of Ontario. You'll know that around Toronto many of those school boards—if they complain they can't produce a quality education product, I don't know why they do that. The services and the programs they can offer far outstrip what those of us in other parts of the province are able to provide in terms of breadth and the depth of what is offered.

1710

Amalgamations I heard mentioned earlier. For your information, the Lambton County Board of Education is the largest employer in Lambton county. The electors are represented by 18 trustees. That includes three French-speaking trustees who represent about 150 voters, I might say, and one native representative. Therefore, 99% of the public school supporters in Lambton county are represented by only 14 trustees. Compared to that, we have many municipalities—it's something like 15 to 20—and of course many more municipal politicians than we have trustees. I feel this should be taken into account in addressing local governance issues.

In contrast to the previous speaker, I might just say that I am totally in favour of a confederated school board. I know that previous ministers of Education and the current minister have dismissed the idea, but several of the trustees, on my board particularly, believe that the rights of linguistic and religious groups can be protected within a confederated school board. It would be our contention that that's where real savings can be made. Forget amalgamation into huge geographical areas, but to preserve local autonomy I do wish people would take seriously the concept of a confederated school board.

Interjection.

Ms Khan: Apparently, the Ontario Public School Boards' Association has sought legal advice and there is an interpretation that does allow for that. I'm not a lawyer, but I think it's something that should be investigated.

With less real local autonomy for counties like Lambton county, school boards see that the Ministry of Education becomes even more powerful and distant from the classrooms, the students, the parents and the taxpayers, and I'm really concerned about this. As it does become more distant, as the accountability link becomes more distant, what I see happening is what has happened recently, that our school system and our students become a political football to be used for social engineering.

To digress, our school board has totally dismissed the idea of user fees, but personally, as a taxpayer I would find them acceptable within limits, but I would not be happy to have user fees imposed upon the current property taxes we pay; there would need to be cuts at that level. And of course I would be totally in favour of preserving essential services that would be accessible to everybody.

To get to what seems to be the only issue that affects school boards in Bill 26, it's the suggestion for arbitration. In Lambton county we've had three secondary school teacher strikes in I think 14 years. The last one was when Mr Cooke was the minister, and lasted for six semestered weeks. As a parent at the time and as a parent activist, it was a really traumatic experience, and to deny that is harmful to a student's education is to call black white. My son, who was in grade 9 at the time, three years earlier had experienced six weeks of an elementary school strike, and we've had two of those over the period of 12 years.

This idea of arbitration is definitely a step in the right direction, because what I see is that it would look at an individual community, the other employees in that community. For example, in Lambton county, two years ago when we had a strike, we were experiencing a severe downsizing at the petrochemical companies; people were being laid off. Companies were moving out of town. If an arbitrator had come in at that time and looked at the local economy, not just as it stood then but what was likely to happen over the next five years, I hope the decisions would have been more empathetic to what the community was asking for.

I would like to turn it on any of you who are familiar with these clauses to ask how you think it would pan out for school boards in terms of their employee relations. We have just signed a contract with the OSSTF which I'm uncomfortable with. It was settled without a strike, which I guess we should be happy about, but I'm not happy that it takes into account the reality of Lambton county. I think what people were hoping for was that the government was going to come in and do the hard work and carry the can. Maybe I shouldn't say this.

Interjection: Oh, yes. Go on.

Ms Khan: I'm actually talking in defence of the government and against the school board. I think the decisions should be made locally, but we can't make them locally because we don't have the tools to do it. That's basically what I'm saying.

I feel I've let you down quite gently at the end of your, I'm sure, heavy day. Common sense is—sitting over this side is a perspective that I like to think I come from. I'm not a great advocate of extreme dogma. There is much this government is doing that I can support. There is much that particularly Dave Cooke was doing that I did support.

If anybody can see through this arbitration thing and help me envisage how it would work—the worrisome thing for some of us who've read through it is that there is no right of appeal. What if it doesn't turn out to be exactly what we anticipate, that it's not the ideal solution for the local economy? What if the arbitrator doesn't see the perspective of the local economy and the local economy's ability to pay?

I thank you for the opportunity to say those few words.

The Chair: Thank you. We have four minutes for each caucus, starting with the opposition caucus.

Mr Phillips: I appreciate the presentation. Obviously, you have some flexibility if you can support the bill and Mr Cooke at one and the same time.

Ms Khan: Some of the bill.

Mr Phillips: One hardly knows where to begin. The bill does provide, as you may or may not know, for the elimination of a school board through regulation. You may not be aware of that because it's fairly technical, but the bill says that local boards, and that can include school boards, can be eliminated by the passing of a bylaw by a municipal council. What the government has said is, "Don't worry about that, we're going to pass a regulation that will prohibit that." But the legislation will permit it, and we are being assured that the minister intends to pass a regulation.

If you understand the way this system works—which not many people do; I have begun to understand it—regulation is something that simply goes through cabinet, doesn't go to the Legislature, and then is passed. Do you on behalf of trustees or you yourself have any concern about that sort of power in the bill?

Ms Khan: That was a concern that did arise. Our director investigated that and was assured—he didn't put the same interpretation that you said. He was assured that it wasn't school boards that were intended.

Mr Cooke: It does cover school boards.

Ms Khan: It does? Well, I would be totally opposed. It's the subtlety of what I was trying to say in terms of Lambton county, the fact that we have 14 trustees representing that huge area—not in terms of northern Ontario, but as far as southwestern Ontario goes it's quite a large area. We have 15 or so municipalities represented by up to eight municipal politicians, yet our budget is larger than that of any other employer in Lambton county, any of Dow Chemical or Novacor or whatever.

It would seem ridiculous to me that you would—I do think that according to the recommendations of the Royal Commission on Learning and so on we have to address the role of trustees. That is a very serious concern.

1720

Mr Phillips: Just so you understand my understanding, at least, of the arbitration process—and I'm not sure that you're going to be happy with what's proposed here—the way it works, as I understand it, is that the normal collective bargaining will go on, the teachers clearly still have the right to strike, and it is only when the Education Relations Commission says the student year is in jeopardy and therefore the strike must end and it goes to arbitration that these arbitration provisions kick in.

My own judgement on the arbitration provisions is that they so move in favour of the employer and take bargaining rights away from the employee that I can't imagine any group of teachers ever wanting to go to arbitration, so I'm not sure you're going to see strikes shortened as a result of that. I think that teachers will be very reluctant to go to arbitration, and there's always the risk that we end up with, rather than voluntarily going to arbitration, more strikes.

So I'm not sure what you are saying—that you commend the legislation on the arbitration? I guess my question really is, has your school board debated the consequences of this new arbitration process?

Ms Khan: Just informally. Our interpretation was that arbitration would be sought earlier than you indicated, so maybe we have to do some more research on that. Certainly we were looking at in a positive light, because we do think that those long strikes are very detrimental to the students. That is something we value.

The Chair: Sorry to interrupt, but I know Mr Cooke would like to have a shot here.

Mr Cooke: Just a couple of questions.

Ms Khan: Oh, I disagree with some things.

Mr Cooke: Then you won't mind if I disagree with you.

Just to follow up on what Mr Phillips was saying, what I suspect is going to happen—I think it would be interesting if the committee could have the chair of the Education Relations Commission before the committee, because I suspect that what the ERC would say is that with these amendments there's no incentive for school boards to negotiate with teachers.

There'll be an incentive to have a strike, have the legislation come in, send the whole thing to arbitration and then, because of the approach that's now being taken, there will be an arbitration settlement that will be very unfair to the workers. So we may end up seeing more strikes as a result of this and more intervention and more legislation in the House and more situations like Lambton.

I wanted to raise just a couple of things with you. A confederated school board, I know, is appealing to some people. I just ask you to take a look. We did have a confederated school board in Ontario. It was in Ottawa and it was on the French side, where we had the French Catholic, the French public and an umbrella board, and what we ended up seeing wasn't savings; we ended up having three bureaucracies instead of one.

That's exactly what will happen if we ever move to a confederated school board in order to satisfy—and I'm not saying this is your motivation but I certainly know it

is with some—to satisfy some people's opposition to the extension of funding to the Catholic system. We'll have a confederated school board but we'll have, as the model that OSSTF and OSPBA put out, an umbrella board with two other boards and we'll have three bureaucracies and we'll increase the cost of administration and the expenditure outside of the classroom. So I'd just ask you to take a look at that.

Do you have any idea yet, have you been given any numbers by the Ministry of Education and Training, about the decrease in your GLGs? Any guesstimate? Your administration must have given you a guesstimate of what it thinks the reduction will be.

Ms Khan: Just as a per cent, yes. I guess it would be $9 million or something like that. Our budget is $114 million.

Mr Cooke: Can you remember approximately what your rate of grant is? What percentage would the $9 million be?

Ms Khan: Seven per cent.

Mr Cooke: Well, it'll vary, because what happens even when the grants are frozen—there are school boards that have either no growth in their enrolment or a decline in enrolment and they lose GLGs. So you're going to be talking about huge decreases.

Ms Khan: Yes, nearly 20% then maybe.

Mr Cooke: Has there been any thought given yet at your board of how you're going to cope with services you're going to cut?

Ms Khan: It's been a subject of discussion, but we know that we can't do it without the tools. We're just making it.

Mr Cooke: What are the tools you're referring to?

Ms Khan: There's the alternative staffing thing.

Mr Cooke: So the OPSBA presentation that was made to us a few weeks ago—we had a lot of these from OPSBA.

Ms Khan: I'm not familiar with that. Contractually, as I said, we did reach an agreement with the OSSTF. I would have preferred not to have that agreement. I'm not talking about rollbacks or anything like that, but I think that working together with the federation and the board, we should have looked at cost savings within the schools; as I said, our bureaucracy is minimal.

Mr Cooke: It's going to be hard to say you want to work with the teachers, though, if you want to have non-qualified teachers in the classroom.

Ms Khan: Absolutely, but what choice do we have? We cannot provide junior kindergarten—sorry.

The Chair: Thank you, Mr Cooke. Sorry to interrupt, ma'am, but we have to get into the the government's time. Mr Young.

Mr Young: Unlike the opposition members, I don't think the definition of a local board in the bill means school boards. But would it allay your fears if it were changed and it said clearly that it does not include school boards?

Ms Khan: I think it should.

Mr Young: With regard to the tools, one of the tools that we're providing in this bill is changes to the Arbitrations Act, which I totally support. There's an education finance review going on internally at the Ministry of Education which will report I think this month, and of course you know the Sweeney report too.

The issues around education are so big, there's such major change coming at the Ministry of Education, that we don't want the municipalities to take it on. So we'll be dealing with it ministerially and in consultation with the school boards.

We know we spend about $530 million a year in Ontario, all told, in preparation time, teachers' preparation time, and we know that a lot of the school boards have retirement gratuities and we know that we spend $1.3 billion on custodial care. Those are the kinds of places we think there may be savings. What was your opinion on that?

Ms Khan: Custodial care, I think we have that down to the bare bones. I guess I didn't mention retirement gratuities. I guess OPSBA's estimate is there's a saving of $320 million from that alone.

Somebody talked earlier about comparing public employees with the private sector, and that's an area where there is such a dissimilarity with what's happening in Lambton county. I think that has to be done. You have to address that issue of retirement gratuity.

I should have mentioned to Mr Cooke, the response is, the preparation time would be quite a large saving to our board if it were held outside of the school day.

Also, just to put Lambton county in context, we are a declining enrolment board as well as a declining assessment board, and what with secondary school reform and all the other things, we are not able to hire any young teachers, and have not been able to do, for several years. With those things like preparation time, we're going to need fewer and fewer teachers and they all have grey hair, pretty much, or are getting up that way. That is a real problem for us.

Mr Young: Is grey hair a problem?

Mr Cooke: You tell us.

Mr Young: Do you think there's any chance that teachers, who are among the most responsible members of our communities, if they see the Arbitrations Act has to include affordability, will cooperate and we'll have fewer strikes in Ontario?

Ms Khan: I'm a conciliatory person and I think that's how it should be, and that locally in Lambton county that's how it would be too. But I think what we're dealing with is a provincial federation, and clearly the economy in different parts of Ontario is different and that affects the attitude of the teachers, either locally or provincially, to what they think should be their just deserts, I guess.

The Chair: Thank you very much. That concludes your half-hour. I appreciate your coming forward and making your submission today to the committee.

Members of the committee, the bus will be leaving within an hour. I think everyone has given an indication to the clerk who would be travelling on it, except Mr Young; I believe you are. We will meet there quickly, and let the Hansard people get their equipment together. Thank you, everyone, for a productive day and thank you to the city of London.

The subcommittee adjourned at 1731.

EVIDENCE SUBCOMMITTEE
STANDING COMMITTEE ON GENERAL GOVERNMENT

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Vice-Chair / Vice-Président: Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Flaherty, Jim (Durham Centre / -Centre PC)
Grandmaître, Bernard (Ottawa East / -Est L)
*Hardeman, Ernie (Oxford PC)
*Maves, Bart (Niagara Falls PC)
Pupatello, Sandra (Windsor-Sandwich L)
*Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Wood, Len (Cochrane North / -Nord ND)
*Young, Terence H. (Halton Centre / -Centre PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:
Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mrs Pupatello
Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître
Silipo, Tony (Dovercourt ND) for Mr Wood
Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Also taking part / Autre participants et participantes:
Boyd, Marion (London Centre / -Centre ND)
Cooke, David S. (Windsor-Riverside ND)
Crozier, Bruce (Essex South / -Sud L)
Cunningham, Hon Dianne (London North / -Nord PC)
Smith, Bruce (Middlesex PC)
Wood, Bob (London South / -Sud PC)

Clerk / Greffière: Mellor, Lynn

Staff / Personnel: Richmond, Jerry, research officer, Legislative Research Service

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Journal des débats (Hansard)

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

Evidence subcommittee

Wednesday 10 January 1996

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Mercredi 10 janvier 1996

The subcommittee met at 0858 in the Valhalla Inn, Kitchener.

SAVINGS AND RESTRUCTURING ACT, 1995
LOI DE 1995 SUR LES ÉCONOMIES ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficience du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

The Chair (Mr Bart Maves): Good morning, ladies and gentlemen. Welcome, committee members. Welcome to Kitchener. Before we begin proceedings this morning and hear witnesses, Mr Cooke has a motion.

Mr David S. Cooke (Windsor-Riverside): Mr Chair:

Whereas there has been overwhelming public interest in Bill 26 and 47 groups and individuals have requested to appear before the standing committee on general government in Kitchener, which far exceeds the 15 spaces available today for hearings;

I move that this committee recommends to the government House leader that when the House returns on January 29, 1996, the order with respect to Bill 26 be amended and that the bill be returned to the standing committee on general government so that further public hearings can be arranged for the community of Kitchener;

Further, that this committee recommends to the three House leaders that they meet as soon as possible to discuss this issue.

If I might, Mr Chair, just very briefly speak to the issue. This community, like every other community that we've been to, is going to see about 20% of the people who want to be heard. Every place we go, even those individuals and groups that are supporting the legislation are saying that the process is too rushed, that there's not ample opportunity for everybody to analyse the bill and participate in the process and there's been great criticism of the lack of democracy, both in the legislation and in the process to debate the legislation.

All this motion does is suggest that there be a recommendation to the government House leader that this matter be revisited, and I ask the government members to approve this motion so that at least the views of the committee and the views of the people who are appearing before the committee are transmitted to the government House leader.

Mr Rob Sampson (Mississauga West): I welcome the opportunity to speak yet again to this motion and reiterate our position. While I understand that the time slots today have been filled and there are some deputants who will not have an opportunity to speak to us in person, we are more than prepared, and we've stated this before many, many times, to review additional written submissions. Frankly, most of the submissions we've been receiving, even when we have a presenter in front of us, have been written submissions that have been read to us, and then we have one or two or three minutes each to ask questions.

I would encourage individual presenters, if they want to make submissions, to present us with the written submissions and we will review them. I'll be asking, Mr Chairman, later on today that those written submissions do come to us as soon as they are received by the clerk of the committee or the Chair of the committee, so that in our downtime, so to speak, as we move from city to city, we can review those particular submissions and give due consideration to them.

All three parties agreed to the time limits and to the procedure and the process that we are currently following. That's what led to the establishment of this committee and the locations we're visiting and the time slots and the methodology for people being on the committee.

I want also to clarify the fact that it's not the government that is deciding who is on what time slot at any given time; it's an agreement that was reached by all three parties as to how the time slots are going to be organized and allocated among the various people wishing to make submissions.

Again, the Leader of the Opposition said on December 8, "We now have a substantial amount of time to look at this bill." We believe that's the case, we believe that's true, we still believe that's true. We're prepared, though, to look at written submissions as they do come in.

Again, in order to get this particular meeting going today, I think we should move ahead. We will not be supporting this resolution, and I look forward to the representations from the various people who come to speak to us today.

Mr Gerry Phillips (Scarborough-Agincourt): We will be supporting the motion. I think the public in Kitchener and this area should appreciate that this bill is totally unprecedented. There's never been anything like

this before. The NDP government introduced something called an omnibus bill that was basically housekeeping, and even that bill was introduced in June and was not passed for five months, to allow a reasonable debate about it. This bill, the government attempted to force through in two weeks, and I think it was an insult to the public of Ontario.

In the Kitchener area we now have organizations, meaningful, significant, major organizations, that are being denied an opportunity to present to this committee. We have offered to pass the important parts of this bill. The government says, "We have to get this done to get our fiscal house in order." Identify those, we will pass those on January 29, and then provide more time so the organizations in the Kitchener-Waterloo area have a chance to let their views be known.

Frankly, every presentation brings a new perspective. I suspect the chamber today will bring us some new ideas. Every single presentation brings us new ideas. But those people are being denied a fundamental right to be heard on an important bill that literally touches everyone.

In terms of saying there's adequate time, this bill does not have adequate time for debate. It is being rammed through because this government thinks it knows best and to heck with anybody who opposes it. So I think any reasonable person would say the process we're going through is unfortunate and should be changed. This motion attempts to change it.

To the groups in the Kitchener-Waterloo area that can't be heard today, you say, "Well, put in a written presentation." Frankly, this committee will be meeting until 9 o'clock on Friday night of next week, and then we begin what's called clause-by-clause hearings at 9 o'clock the following Monday morning. Do you really think all of us will have a chance to read and absorb written briefs from the two thirds of the groups that will not be heard? We're going to hear from only one third of the groups and individuals that want to be heard. Do you really think that over that final weekend all of us are going to have a chance to read those briefs and to reflect those comments in what we call clause-by-clause when we deal with the bill? The fact is, we won't.

The Chair: Thank you, Mr Phillips. We'll put the motion to all of the voters this morning. For the government side, Mr Young, Mr Hardeman, Mr Sampson and Mr Tascona.

All those in favour of the motion?

Mr Cooke: Recorded vote.

The Chair: Recorded vote. All those in favour of the motion?

Ayes

Cooke, Gerretsen, Phillips.

The Chair: All those against?

Nays

Hardeman, Sampson, Tascona, Young.

The Chair: I declare the motion lost.

CHAMBER OF COMMERCE OF KITCHENER AND WATERLOO

The Chair: Good morning, gentlemen, from the Chamber of Commerce of Kitchener and Waterloo. Welcome to our committee. Before we continue with that, I'd just like to welcome also Mr Wettlaufer, the member for Kitchener; Mr Martiniuk, the member for Cambridge, and Mr Leadston, the member for Kitchener-Wilmot, to the committee proceedings today.

Gentlemen, you'll have 30 minutes this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive questions and responses from the three caucuses. I'd appreciate it if, before you begin, for the benefit of the committee members and Hansard you'd read your names and your organization into the record.

Mr Frank Varga: I'm Frank Varga, president of the Chamber of Commerce of Kitchener and Waterloo. With me this morning is—

Mr Ed Lemont: Ed Lemont. I chair the federal-provincial affairs committee of the Kitchener-Waterloo chamber of commerce.

Mr Varga: Mr Chair, may I proceed?

The Chair: Yes.

Mr Varga: We are here representing the Chamber of Commerce of Kitchener and Waterloo. We are also representing the Chamber of Commerce of Cambridge; the president could not join us this morning, but we've had joint consultations with them, and this presentation represents the Cambridge chamber.

We thank you for the opportunity to present the position of our chambers of commerce regarding Bill 26, the Savings and Restructuring Act. This presentation will deal only with the non-health aspects today of this bill and is based on what we consider a high-level preliminary review of the proposed amendments contained in the bill. It is the intent of the chamber's standing committees to continue their analysis of the various proposed amendments, critically evaluate proposed regulations and encourage an ongoing dialogue with the government of Ontario.

The Chamber of Commerce of Kitchener and Waterloo is the product of a merger of the Kitchener chamber and the Waterloo chamber in 1992, a move which recognized the need to cost-effectively service the business community of the two cities. Our mission is to serve business in Kitchener-Waterloo and be its voice in the betterment of the community. Today, this chamber has a membership of 1,200 businesses, representing all sectors of the business and employer community.

The Cambridge chamber of commerce has a membership of 760 businesses. Its mission is to be the voice of business, committed to the enhancement of economic prosperity and the quality of life in Cambridge.

Collectively, our total membership of 1,960 members includes small, medium and large employers who provide thousands of jobs in one of Ontario's most progressive and economically productive regions.

The chambers strongly support, in principle, the stated purpose of Bill 26, which is to reduce government spending, to promote economic prosperity through public

sector restructuring and to create a climate which will attract investment, create jobs and encourage businesses to grow.

Deficits averaging nearly $10 billion annually over the last four years and an accumulated debt of more than $90 billion are not acceptable to our members, and therefore we urge the government to get its financial house in order.

In our opinion, the general initiatives proposed in Bill 26 are strategically correct. However, I would like to make some general observations before dealing with the specific sections of the bill.

0910

Tough economic decisions must pass the tests of democratic scrutiny and debate. We offer ourselves to participate in the dialogue necessary when the regulations are crafted. In the government's own words, they must "pass the test of common sense." We believe that orders in council and centralization of regulatory powers must not become indiscriminate tools used to exploit special interests of any kind or to deny society at large the creativity inherent in public disclosure and democratic debate.

Deregulation must capture true savings and efficiencies without reducing the standards of care. For example, for the environment and the quality of life in our communities, streamlining processes, and we emphasize "processes," rather than replacing the goals that we have in this province may be the best approach.

Although the chambers are supportive of the general focus of the bill, it is imperative that the associated regulations do not distort the general intent of our goals in this province. Therefore, we request the opportunity to dialogue on regulations as they are proposed.

We would like to note that we are disappointed that this bill does not propose limitations on government at either the provincial or municipal levels. This bill in fact suggests that governments may have more freedom and flexibility to intrude upon and control the lives of citizens and the activities of business, particularly at the municipal level.

We believe that all levels of government are too big and too powerful. Government must be limited, as well as being effective and efficient. We sincerely hope that you will consider limitations within the regulations and we look forward to dialogue in this regard.

Within the conceptual context of this bill, we do not observe a commitment to actually lowering the cost of government with coincident savings being returned to the population. We propose that a no-net principle be incorporated. While we support the principle of user fees in some cases and we believe that market forces should dominate choices, we are concerned that some governments will simply implement user fees as disguised incremental taxation. We propose that where user fees are to be implemented to support existing services, there must be a coincident reduction in the general tax levy. This is the no-net principle.

We strongly wish to reiterate that we do not feel we have a revenue problem in this province. We have a spending problem. Spending must be limited at all levels of government. Taxing jurisdictions should not be allowed to increase taxes or revenue under downloading scenarios or within other scenarios as in the case of user fees, as indicated above.

I now wish to turn over the presentation to Ed Lemont, who is chairman of the federal and provincial affairs committee at the chamber of commerce, to deal with the specific sections of the bill. I will close with a summary on behalf of the chambers and may make some comments during Ed's presentation as well.

Mr Lemont: Let me refer now to the specific schedules of the bill.

Schedule A is the Public Sector Salary Disclosure Act, 1995. We do not disagree with the intent as set out in this particular schedule.

Schedule B, Amendments to the Corporations Tax Act: Again we do not disagree with the intent of this schedule.

Schedule C is Amendments to the Income Tax Act. We do not disagree with the intent of this section.

Schedule D, Ontario Loan Act, 1995: We agree with the proposals in this particular schedule.

Schedule E, Amendments to the Capital Investment Plan Act, 1993 and the Highway Traffic Act relating to Toll Highways: We support the concept of tolling systems for the financing of new highways; for example, Highway 407 currently under construction. We do not support the concept of applying tolls to existing highways. However, should tolls be applied, it must be under a no-net principle wherein taxes are reduced in direct relation to user fees collected. Tolls must not exceed allocated operating costs.

On the matter of collections and disputed tolls, the right of appeal must be maintained. We're of the opinion that the corporation must not have the right to file a notice of lien or charge against the real or personal property of a person who owes a toll, a fee or interest.

In general, we recommend further consultation with commercial transportation companies prior to the enactment of this bill.

Schedules F, G, H and I all deal with health care issues, which we are not commenting on at this time.

Schedule J, Amendments to the Pay Equity Act: We agree with the elimination of the proxy comparison method for determining whether pay equity exists in an employer's workplace.

Schedule K, Amendments to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act: We agree with the prescribing of a fee for the application to request information or for making an appeal. However, the fee must not exceed the direct cost of providing the service. We're concerned with the autocratic authority of a head of an institution to refuse a request which is deemed to be frivolous or vexatious. Therefore, these decisions must be open to scrutiny by an efficient appeal process.

Schedule L, Amendments to the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act, 1994: We do not disagree with the intent of this schedule.

Schedule M, Amendments to the Municipal Act and Various Other Statutes Related to Municipalities, Conservation Authorities and Transportation: part I, the Munici-

pal Act: We are in general support of the proposed amendment of part I. However, as stated previously, we're concerned about the potential of unlimited power to regulate by governments. For example, we feel the powers granted to municipalities regarding fees and licensing are much too pervasive. Increasing the potential for regulation at the municipal level is contrary to the government's stated intention of allowing free market forces to assist in encouraging economic growth and sustainability. Specifically, amendments proposed under the general licensing powers section, part XVII.1, are unacceptable. Licence fees must impart value to the licensee.

Mr Varga: I'd like to refer specifically to that section at this point. Under, I believe it would be considered, section 257.2, and following on page 151, starting at clause (f), the municipalities are granted "the power to impose conditions as a requirement of obtaining, continuing to hold or renewing a licence, including conditions...." I won't read the whole part, but we have specific concerns about the pervasive nature of the powers granted the municipalities in this regard, particularly when it's simply to collect revenue as in (i). We believe licences must impart value to the licensee, and if municipalities do not have an ability to impart such value, they should not be able to impose such licences.

We're concerned about a municipality's ability to restrict the hours of operation of a business or the ability, under subclause (iii), of a municipality to inspect an employer's premises at any reasonable time. We don't understand what the purpose would be in that respect.

On page 152, we see that there's an arbitrary ability under clause (g) to impose special conditions on a business within a class of businesses where that condition might not be imposed on the other businesses. This seems to be quite arbitrary.

The ability to regulate equipment, vehicles and other personal property is confusing to us. I don't know that there's enacting or enabling legislation within the province that gives municipalities the right to look at vehicles in any regard.

Under clause (k), "the power to exempt any business or person from all or any part of the bylaw," there seem to be quite far-ranging powers that are conferred on the municipalities. We feel that government should have limited powers and not more powers, and while we understand the intent of the legislation and applaud the government directionally, we feel limitations need to be applied with respect to municipalities. Many businesses conduct operations in a multiplicity of locales, and if there are going to be special licences or conflicting conditions imposed from municipality to municipality, it would be very difficult for business to operate, or want to operate, within this province when some of the regulations imposed may be imposed in an arbitrary nature, particularly if it's simply for raising revenue when there's no value imparted on the basis of the licence to the licensee.

0920

Mr Lemont: Part II of schedule M is Other Statutes Relating to Municipalities. We are on record as strongly supporting initiatives that reduce taxes and enhance cost-effective government at all levels. We support amendments that increase the tools available to local municipalities to operate cost-effectively. However, we must again reiterate our earlier position that while we support greater flexibility for local governments and boards, a no-net principle must apply. User fees, for example, must not be used as disguised taxation, where user fees are implemented to support existing services. A general tax decrease should be experienced by the population. We trust this will be considered in the regulations.

We also wish to state our disappointment to the continued reference to two-tiered local governments. We have stated previously that we believe there should only be one tier of government locally below the provincial level. While we at this time are not prepared to suggest the appropriate structure, we strongly suggest this bill should encourage movement to a one-tier system. This is fundamental to achieving savings and efficiency at the municipal level.

We do express concern over the use of orders in council and regulations to achieve desired results. Democratic processes must be protected.

Part III of this schedule is the Conservation Authorities Act. We do not disagree with the intent of this section.

Part IV, Transportation Statutes: Again we do not disagree with the intent of this section.

Schedule N, Amendments to Certain Acts Administered by the Minister of Natural Resources: We are in agreement with the reduction in administration costs relative to permits, licences etc. However, current standards of care in environmental protection must not be abandoned. Licensing may not be the most cost-effective method of implementing and enforcing desired standards of performance. In this area we recommend that changes should be based on scientific principles, not on political interest only. We support the segregation of funds received under the Game and Fish Act in a separate account in the consolidated revenue fund, and dedicating these funds to the management of the resources that produce these revenues.

Schedule O, Amendments to the Mining Act: We don't disagree with the intent of these amendments. However, the principles of self-regulation and deregulation must ensure that current standards of environmental care are maintained or enhanced. Cost-effective improvements are supported.

Schedule P, Amendments to the Ministry of Correctional Services Act: We agree with the intent of the amendments in this section.

Schedule Q, Amendments to Various Statutes with Regard to Interest Arbitration: We do not disagree with the intent of these amendments. However, we would suggest that a closer look should be taken at the process of appointing arbitrators.

Mr Varga: I'll close with the summary and then be available for questions. Again, we'd like to reiterate that we strongly support the broad strategic initiatives of Bill 26. However, we do urge the government to enhance the quality of democratic debate in its pursuit of achieving fiscal savings by including groups such as ourselves in the process of crafting the regulations and ensuring that we have that opportunity.

We clearly have a high interest in supporting initiatives that improve government operating efficiencies and the restructuring of government. They are fundamental to the savings required in this province in order to build and sustain a healthy economy.

I trust that our members' general concerns in the areas of democratic process have been heard. We want to participate in the development of the regulations. Our concerns are about the increasing government power, regulatory power, the deregulations that reduce standards of care or ultimate goals in this province, increasing regulatory flexibility at the municipal level that may damage the ability for market forces to operate fully, and tax increases masquerading as user fees.

The Common Sense Revolution must apply to all sectors of our economy and community. We appreciate very much the opportunity to make this presentation to the standing committee today. We look forward to continuing open dialogue on the above matters and others that may involve our interests.

The Chair: That leaves about three minutes per caucus for questions, starting with Mr Cooke. I'd like to welcome Mr Agostino from Hamilton East to the committee this morning.

Mr Cooke: Just a couple of questions. Throughout your presentation you've talked about, and I think you've reinforced, the concern that many of us have that while this legislation sets out a direction, the guts of it are going to be in the regulations, and throughout your presentation you've talked about concerns that you might have if regulations went in a certain direction. I believe at the beginning of your presentation you talked about offering your assistance in developing the regulations.

Would you agree that there should in fact be a public process on the regulations because they're so important to the guts of this legislation? I'd put forward two ideas: (1) that the regulations should be draft regulations and should be released before the bill gets third reading so we can see specifically where the bill is going and how it's going to be implemented; (2) that those draft regulations then should be referred to a committee so there can be participation by people like yourselves to clarify and improve the draft regulations.

Mr Varga: We wouldn't support anything that's going to slow down the implementation of the needed changes in this province. We believe that there's been a strong mandate given to this government. We think that the bill can proceed with the minor changes that we've suggested and that the regulations can be crafted probably in the normal manner. We would hope that what you would mean by "public participation" would include groups like ourselves and other interested parties who have a particular vested interest in the specific regulations that apply to the various sections of the legislation, and we'd participate in that normal manner. But I don't believe that this province or this country can afford to wait any longer than we have to get on with the kinds of creative moves that we need to get this economy fully functioning and back on a level playing field.

Mr Cooke: I don't disagree, but I guess I'm a little confused at your approach then, because on one hand, you're saying that you support the direction of the legislation but that you recognize, as you have throughout your presentation, that the regulations are really the guts of this legislation.

Let me give you an example, and it's reinforced by an article in today's Toronto Star. There are in fact provisions in this legislation for municipalities not only to increase fees in licensing but also to bring about different types of new taxation at the local level: sales, gas and income. That's going to be clarified either by an amendment to the legislation or by the regulations. I would think that if you're concerned about the direction of governments, you would want to see those regulations before the bill becomes law. I'm assuming from the whole tenor of your presentation that you would not support municipalities having the right to bring in a gas or sales tax.

0930

The Chair: Excuse me, Mr Cooke. Unfortunately, we've gone beyond. You might want to answer that, sir, on the government's time. Mr Wettlaufer, for the government.

Mr Wayne Wettlaufer (Kitchener): Thank you, Frank, for your submissions and for appearing before the committee today.

One of your concerns deals with the accountability of government. Do you not feel that with 70% of the government expenditures today being in the form of transfer payments to the MUSH sector—the municipalities, universities, school boards and hospital boards—by returning the authority for the expenditure of those moneys to the local boards, that would also increase their accountability to the local taxpaying sector, ie, the business sector and the private taxpayer? Do you not feel that is beneficial?

Mr Varga: We support the notion of giving municipalities and local boards more flexibility in the discretion of the use of funds. However, we think there have to be some limits on it and there has to be some consistency across the province because of the way business and most people operate. People aren't just localized any more. They don't just worry about Kitchener or Waterloo or London, so there needs to be some limits to the power that municipalities have and some consistency across the province.

We understand there's only so much money in the pie, and it's really a question of distribution. If we think there's enough money in the system, by all means give them the ability to make the decisions that are truly local. But our community is shrinking—the global community, the provincial community, the national community—and therefore there still has to be a need for some regulations that suggest consistency—not standardization necessarily, but consistency—of guidelines across the province in some areas. We have not been able to get down to that level; we hope we can if we participate in the regulation process.

Mr Wettlaufer: Do you not feel that the demands by the local constituents are going to vary considerably from locale to locale?

Mr Varga: In some matters they are, but on matters of health care, for example, I would suggest there's probably going to be a general set of expectations across

the province. When it comes to whether you want signs on your front lawn, or whether you want billboards and so on, which municipalities always have, that's the kind of stuff the local citizens certainly are going to have differences on, based on the character and the cultural makeup of a community.

But on the bigger issues, like health care, for example, or regulations in terms of business operating or business operating hours or standards within what you can license and what you can't, say, with respect to whether it's the electrical and mechanical trades, the heating trades, the plumbing trades, we're worried that these regulations and powers that the municipalities are going to have are going to intrude into various areas that the municipalities have no expertise on and cannot impart value to those particular activities.

Mr Phillips: I really appreciate the chamber's presentation. It's not unlike other ones we've heard. Many groups say, "Hurry up and implement the bill, except the parts where we have major concerns, and then take a good look at them." I think you've done a good job of highlighting an area we haven't talked a lot about, and that is the business licensing.

Here is the situation as I understand it. Firstly, a whole bunch of your members who currently don't pay licence fees will pay licence fees. The minister has said that a whole bunch of new businesses will pay licence fees. Secondly, it gives the municipalities the power to impose conditions requiring the payment of a licence fee, which may be in the nature of a tax, for the privilege conferred by the licence.

The bill also goes on to say that if there's any conflict between a provision in this part on licensing and a provision of any other section of this act or any other act, the section that is less restrictive of a local municipality's power prevails.

You pull all of those together and also recognize that all of the mayors we've talked to so far have said, "Our transfers from the province have been cut dramatically; we have to find new revenue sources." The deputy mayor of London yesterday said, "We need this bill passed right away because we've got to begin implementing these new fees." Do I understand correctly that even if this bill still contains these provisions—that is, lots of new businesses licensed, virtually unlimited flexibility for municipalities to impose licences, overriding any other act, and it could be in the nature of a tax—it is the chamber's position that we should still pass the bill?

Mr Varga: I think we should pass the bill, but there's another section of the bill that suggests the minister has the ability to impose limitations on these licences; I can't find it, but I know it's in there. So our hope would be that in the drafting of the regulations or in our consultations with the ministry, we would be able to impart some suggestions that would put limits on what municipalities can do in the area of licensing and fees.

Mr Phillips: Would you not think it would be in the chamber's best interests to not rely on regulation? Regulation is change at the stroke of a pen. You may or not be consulted. Yesterday we heard that the government passed a regulation to take away pension benefits from pensioners. They had to go to court to get that regulation overturned. Do you not think it may be a wiser course of action from your members' perspective to try and deal with—you call these provisions unacceptable—

The Chair: I apologize for having to interrupt, but we've already gone a little bit beyond here.

Mr Phillips: That's part of our problem.

The Chair: I want to thank you gentlemen for coming forward this morning and making your presentation to the committee.

WATERLOO REGIONAL LABOUR COUNCIL

The Chair: May I please have a representative from the Waterloo Regional Labour Council come forward. Good morning, gentlemen, and welcome to the standing committee on general government. You have 30 minutes to present this morning. You may use that time as you see fit; you may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd introduce yourselves and your organization for the benefit of Hansard and the committee members.

Mr Mike Cooper: I'm Mike Cooper, the chair of the political action committee for the Waterloo Regional Labour Council, and with me today is Kirk Oulds, the first vice-president of the Waterloo Regional Labour Council. We'd like to thank you first of all for the opportunity to present to this committee, although we do have some concerns about the time lines.

To start, the Waterloo Regional Labour Council has 95 affiliates, representing almost 20,000 unionized workers in the region. Labour's role in the community is to promote the interests of its affiliates and, in general, to advance the economic and social welfare of the workers of the province.

Bill 26 introduces three new acts, amends 44 acts and repeals two acts. I don't believe any member of this committee fully understands the scope of what's in this 211-page bill. I know the working people of this province don't know how some of the provisions of this bill will affect them.

The labour council believes Bill 26 is an exercise in deficit reduction that will continue to punish working people in their communities. We would ask the government to withdraw this piece of legislation, but knowing you won't, we would ask you to reconsider the time lines to allow for more input from those who will be affected by the enormous scope of this bill. This is evident by the government's action of splitting the bill hearings into two separate subjects already. We ask the government to further separate this bill to allow the experts in each area of the legislation to assist you in getting it right.

0940

We must question whether the government has any interest in getting it right by its previous actions of cutting social assistance to the neediest and the most vulnerable in the province and saying they will have to rely more on families, friends and churches. At the same time, the Mike Harris government is cutting funding to the very groups set up by family, friends and churches to assist those in need, without any consultation with these groups to see if they could continue to provide the necessary services. Bill 26 is a complete abdication of

responsibility of the Mike Harris government in Ontario to care for the poor, the socially disadvantaged, the less skilled, the less capable, the sick, the disabled and the unemployed.

Bill 26 is a power grab, the likes of which have never been seen in the history of the province of Ontario. This bill will give Mike Harris and a select few cabinet ministers and unelected advisers sweeping powers over our health care system, municipalities, the environment and our right to the protection of privacy. These same ministers are immune from liability for using their discretionary powers under Bill 26.

We will not have time on this occasion to address everything in this omnibus bill that deserves comment or criticism. We know the government is not interested in allowing sufficient or significant public hearings on this massive legislation. Mike Harris doesn't want to know what the working people of Ontario have to say. The government doesn't want to hear that this bill moves too far too fast. The government doesn't want to have people speaking out about the changes that would Americanize health care, give cabinet sweeping powers over municipalities and doctors, gut environmental protections, wipe out pay equity for the lowest-paid women in the public sector, lift the ceiling on drug prices, allow the implementation of sweeping new user fees and much more.

A study by Statistics Canada in 1991 revealed that the current deficit is the result of a decrease in revenues and interest payments on the debt, not social spending. Yet we constantly hear in the news media that spending on social programs is out of control and needs to be cut. The government is perpetrating a hoax that in the name of dealing with debt and deficit we're going to have to tear apart our social programs. In reality, deregulation, privatization, free trade and a worldwide recession are the causes of our problems.

They are offering two solutions to our debt and deficit problem: (1) reduce expenditures affecting the needy, (2) increase income, which means user fees for government services. Both discriminate against the poor. Current cuts are penny wise and pound foolish. Cutbacks will only serve to widen the income gap. The amount saved today will pale in comparison to the costs we as a society will incur over the long run. Deteriorating neighbourhoods, despair and wasted lives, which already exist in many cities south of the border, will characterize our future landscape unless we reverse this trend now.

The impact of the cuts on the economy results in reduced spending in supermarkets, corner stores and department stores and in the private housing market. Evidence regarding consumption habits shows that lower-income households spend nearly 95% of any increase in income on survival—that's food, clothing and shelter—while higher-income households spend 60% and save 40%.

The hope of supply-side economics has always been that skewing income distribution in favour of the wealthy would lead them to invest in productive activity which creates more jobs, thereby increasing the incomes of poor people. This is the trickle-down theory which was the central tenet of supply-side Reaganomics in the US during the 1980s. Reagan's policy didn't create jobs, but it did increase income disparities and greatly increased the national debt.

The Harris government is leading Ontario in exactly the opposite direction that it needs to go, towards the low wages and low social standards of the Third World countries, rather than the high wages and strong social infrastructures of countries such as Germany. The government is punishing Ontario's poorest people today and risking the general quality of life and standard of living for all Ontarians tomorrow.

Since the Tories intend to cut even deeper than they would otherwise have to do in order to implement their promised 30% cut to the income tax rate for everyone, what do they have to say to the $25,000-a-year worker who would have received a $1,913 tax saving over three years under the tax plan but who will now be unemployed because of the restraint plan? How will the Tories get people to spend their tax savings on goods and services at a time when thousands of ordinary workers will be losing their jobs? Do not layoffs and insecurity discourage spending?

The cuts were rushed in reaction to the so-called crisis of the government learning, on taking office, that the deficit for 1995 would be $1 billion to $2 billion more than expected. This was not good news, but no one else described it as a crisis. No bond rating agency, lender or economist said this would affect the province, provided it continued its graduated four-year plan to eliminate the deficit. Harris used the crisis to justify abandoning coordination of the programs he had promised to bring in at the same time as the cuts and which were supposed to help people survive the cuts. He also cut much deeper and faster than he said he would.

While everyone would like lower taxes, polling suggests we don't want it at the expense of such things as job creation, our health and social safety net and paying down public debt. By not giving the tax cut, the government will save up to $5 billion annually, permitting it to balance the budget two years sooner than planned.

In a recent poll 67% wanted and 33% were opposed to a balanced budget before a tax cut; 76% wanted higher priority on job creation while only 23% wanted a higher priority on lowering taxes; 74% wanted to protect health and social programs while only 23% wanted to lower taxes; and 75% wanted a reduction in the deficit before lowering taxes.

There are several areas of Bill 26 which affect our members directly by reducing their disposable income. They are amendments to various statutes with respect to interest arbitration, Pay Equity Act amendments, the Public Service Pension Act, freedom of information changes and the new user fees that are being allowed to the municipalities. We'll try to get through these as much as possible while our time allows.

On the amendments to various statutes with respect to interest arbitration, schedule Q, the bill would amend legislation governing interest arbitration in the fire, hospital, police, public service and school board sectors. In these sectors the Legislature is determined that, given the essential nature of the services provided, the terms and conditions of collective agreements must be deter-

mined by a process of compulsory interest arbitration rather than through recourse to strikes or lockouts.

In determining compensation matters under collective agreements, the traditional criterion used by arbitrators to determine wages in the public sector is comparability with employees performing similar work for other employers in the public sector and with employees performing similar work for employers in the private sector. This ensures that wages for employees governed by interest arbitration in the public sector follow freely negotiated settlements in those sectors where the parties have the right to engage in free collective bargaining with the right to strike or lockout.

However, the bill would require arbitrators to consider the following criteria: the employer's ability to pay in light of its fiscal situation; the extent to which services may have to be reduced if the current funding levels are not increased; the economic situation in Ontario and in the municipality or municipalities concerned; comparison of the terms and conditions of employment and nature of the work performed with other employees in the broader public sector; and the employer's need for qualified employees. These criteria would not apply to interest arbitrations where, on or before the day Bill 26 receives royal assent, an oral or electronic hearing began or all submissions were received by the board.

These provisions constitute a significant interference in the independence and integrity of the arbitration process, requiring boards of arbitration to consider governmental criteria in awarding collective agreements.

Arbitrators have stated that basing an award on ability to pay could render the interest arbitration process largely irrelevant, since the use of ability to pay could allow the government and employers to unilaterally determine wages and benefits by simply allocating a fixed or reduced amount for employee compensation in their transfer payments or budgets.

Furthermore, to the extent that the imposition of the ability-to-pay criterion leads arbitrators to reach a predetermined result and biases their decision in favour of employers, reliance on ability to pay would undermine the independence of arbitrators and the integrity of the arbitration process.

If employers can unilaterally fix or reduce the budget for employee compensation and then argue that arbitrators are bound by the employer's budgetary decision, this could also undermine the process of collective bargaining itself, since there would be little if any incentive for employers to reach an agreement when it is clear that arbitrators will have no choice at the end of the day other than to award the employer's position.

0950

Arbitrators have also criticized the requirement to apply the ability-to-pay criterion on the basis that it requires public sector employees to subsidize public services through substandard wages, a situation criticized by all arbitrators as unacceptable. Moreover, since there is no objective test for measuring a public sector employer's ability to pay, arbitrators have held that ability to pay really amounts to no more than willingness to pay. In this sense, the ability-to-pay factor can be viewed as a subterfuge for wage controls. By imposing this criterion on arbitrators, government may be able to effectively implement wage controls without doing so directly, thereby using arbitrators as a buffer to escape responsibility.

The adverse impact of the ability-to-pay factor on the independence of arbitrators was recognized when similar legislation was adopted by a Tory government for a temporary period in the early 1980s. At that time the chair of the Ontario Police Arbitration Commission expressed concern that arbitrators may cease to be available since the proposed legislation will impinge on their independence. As a result of such concern, the legislation was not renewed after a period of one year.

As well, the extent to which the imposition of the ability-to-pay criterion deprives employees of a fair and impartial mechanism for determining their terms and conditions of employment was recognized by the International Labour Organization in 1985 when its freedom of association committee concluded that if arbitrators are directly appointed by a government which lays down in legislation certain criteria which arbitrators are bound to follow in the determination of awards, it is inevitable that confidence in the system will diminish.

The bill also requires arbitrators to consider the extent to which services may have to be reduced if current funding levels are not increased. The intent of this provision is not clear, but it may be to encourage arbitrators to make awards which require employees to subsidize the maintenance of certain levels of service through substandard wages. However, some observers have suggested that the effect of this provision may well be to involve arbitrators in decisions respecting the level of service that should be provided by employers, thereby relieving public sector employers of their responsibility for making decisions for which they can be held accountable.

Under the Pay Equity Act amendments, the main thrust of schedule J of the bill is a proposed repeal of the proxy value provisions of the Pay Equity Act. The repeal would take effect on January 1, 1997. As outlined more fully below, the proxy value provisions were added to the act in 1993 to provide for pay equity for female employees in the broader public sector who, because there were no male job classes in their establishment, were effectively denied access to pay equity under the act; for example, certain day care workers, nursing home employees, employees of children's aid societies and employees of transitional services for women and children. The proxy value provisions permit pay equity comparisons to be made with female comparators in designated proxy establishments.

When the Pay Equity Act was originally enacted in 1987, it provided for pay equity by comparing female job classes to male job classes with the employer's establishment, the job-to-job comparison method. However, if for any given female job class there was no comparable male job class within the employer's establishment, then no pay equity adjustment was required.

Effective January 1, 1993, amendments were made to the Pay Equity Act to provide two additional comparison methods in order to confer wider access to the benefit of the act. These were the proportional value and proxy value methods of comparison.

Under the proportional value method of comparison, if there is no comparable male job class within the establishment, a female job class is compared with the representative male job class in the establishment. The job rate for the female job class is then fixed as a proportion of the job rate of the male job class based on the relative value of the work performed, and required pay equity adjustments must be made.

The proxy value method is applied to establishments in the broader public sector in which there are no male job classes at all in the establishment. Under this method the employer called the seeking employer is required to find a proxy establishment in accordance with the regulations which list appropriate proxy employers. Information about the duties and responsibilities of female job classes of the proxy employer is compared with the key female job class or job classes of the seeking employer.

A job rate for the key female job class of the seeking employer is set by applying the proportional value method to the relevant job class of the proxy employer. Job rates for the other female job classes of the seeking employer are also set. By comparing these job classes to the key job class using the proportional value method the required pay equity adjustments must then be made. Schedule J also contains transitional provisions changing the minimum pay equity payments required to be made by employers in proxy value cases for the interim period from January 1, 1994, to December 31, 1996.

Under the current legislation there is a minimum annual pay equity adjustment which is the lesser of 1% of payroll in the preceding year and the amount required to achieve pay equity. Additional adjustments must be made in the case of proxy value comparisons prior to making the minimum payment.

The transitional provisions under schedule J would change the minimum payment required in proxy value cases. A new minimum adjustment payable for the period from January 1, 1994, to December 31, 1996, would require the payment of "the lesser of 3% of the total of all wages and salaries payable to the employees in Ontario of the employer in 1993 and the amount required to achieve pay equity." However, we noted that while the requirement for annual proxy value payments has been removed, the bill does not clearly specify when the adjustment must be made in respect of the interim period.

In addition to changing the minimum pay equity adjustment in proxy value cases from an annual 1% payment to a total 3% adjustment in respect of the interim period up to January 1, 1997, the other proposed changes regarding the minimum payment could result in significant reductions in the minimum amounts required to be paid to achieve pay equity in proxy value cases.

First, the amount is to be calculated based on all wages and salaries, which may be interpreted more narrowly than payroll under the current legislation. Second, the calculation was based only on wages and salaries payable in Ontario, whereas currently there is no express limitation. Third, the bill would alter the base for determining minimum proxy value, pay equity adjustments from the current base of payroll over the preceding 12 months to the proposed 1993 base.

Further, schedule J would repeal a provision of the current act requiring certain adjustments to be made before the minimum required adjustments. The bill would also provide that even where a proxy value plan has been posted, the employer is not bound by the schedule of compensation adjustments for achieving pay equity and may amend the schedule as stipulated.

Being short on time, we'll just go briefly over the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act. Basically what this does is set up public employees for the fall when the government sells off and starts privatizing a lot of the services they now provide. They'll be sold off to their friends, and the idea here is to make sure that the public sector workers don't move into these jobs, don't maintain the high wages and benefits they're used to right now in their contracts. They'll be dumped out without any guarantee of a job, and this is the whole reason for this. That's why we're opposed to it, because basically what you're going to do is take some good, high-paying jobs with decent benefits and turn them into low-paying jobs with no benefits.

Bill 26 would amend the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act to give the head of an institution the right to refuse access to a record, where in the opinion of the head on reasonable grounds the request for access is frivolous or vexatious, even where the requester would otherwise be entitled to obtain access to the record under the legislation.

While the determination of the head may be appealed to the Freedom of Information and Privacy Commissioner, permitting institutions to refuse access to records on this new ground will inevitably result in denial of records to those individuals who are unable to afford an appeal, delay access request and involve individuals who do appeal in lengthy and costly proceedings.

Bill 26 would also amend freedom of information legislation to require individuals in all cases to pay a prescribed user fee. At the time of making the request, in order to obtain a record, individuals will also be required to pay a prescribed user fee as a precondition to appealing a decision to the commissioner. The bill does not impose any limit or criteria for determining the amount to be charged but does allow for different amounts to be charged for different records or to different persons.

As well, the cost of retrieval would be expanded to include the first two hours of manual search time, presently not charged for, as well any other costs beyond those which are presently specified. Finally, the bill would extend the requirement to pay fees for retrieval of information to a request by an individual for access to his or her own personal information.

In regard to the Municipal Act provisions for new taxation powers and user fees, municipalities and local boards, with the exception of hospitals and school boards, are given broad new powers to pass bylaws imposing fees or charges on any class of persons. These fees and charges may be levied for any services or activities provided by the municipality for any cost payable by it for services and activities and for the use of any of its property.

In addition, the nature of the changes that may be made appears virtually unlimited, including fees or charges which are in the nature of a direct tax. Such fees or charges can vary on any basis that the municipality or local board considers appropriate. In this connection, the municipality may treat different classes of persons differently and may deal with each class in a different way.

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These provisions, taken together, would appear to allow for municipal poll taxes, a host of user fees and other charges for municipal services, and may even permit municipal charges based on income. While the minister may make regulations preventing municipalities from exercising these wide powers, the circumstances in which the minister would do so is left entirely unspecified.

The power of municipalities to license various business activities has been expanded to give municipalities what the government explains in the explanatory material accompanying the legislation to be a "general licensing power." This general licensing power would apply to any trade, calling, business or occupation, except for certain manufacturing activities.

Under the current provisions of the Municipal Act, the failure to grant a licence and the suspension or revocation of a licence is subject to an appeal to the Divisional Court. However, the proposed amendments appear to grant the municipality final say as to whether or not a particular licence is granted or refused, revoked or suspended without any right to appeal.

Finally, where there is a conflict between the licensing powers of a municipality and the provisions of any other legislation, the bill provides that the provision that is less restrictive of the local municipality's power prevails.

It seems we're running short on time. It's very clear that a number of the schedules in this bill are going to take money directly out of pockets and reduce people's disposable income.

There's much more to talk about in this omnibus bill, some of which we haven't touched upon and some sections that we haven't even learned about yet. As I stated before, labour's role in the community is to promote the interests of its affiliates and, in general, to advance the economic and social welfare of the workers of the province.

Government's role in the province is to protect the neediest and most vulnerable and to build a society free of poverty, hunger and homelessness. With the introduction of Bill 26, the Mike Harris government sees itself as no longer responsible for the poor and the vulnerable, the hungry and the homeless, the people in crisis for the moment or those whose circumstances leave them in ongoing need.

The Waterloo Regional Labour Council asks this government to rethink its position and work with all the people of the province by delaying the passage of Bill 26 and by allowing sufficient public input, concern and criticism to help you get it right.

Thank you very much for your time.

The Chair: Thank you, Mr Cooper. Unfortunately, we're left with only about one minute for questions from the caucuses. We'll start with the government caucus; Mr Young.

Mr Terence H. Young (Halton Centre): Just a brief comment. We hear the comparison to Reaganomics a lot and I don't think it fits. As a matter of fact, I'm sure it doesn't, because when Ronald Reagan was president they increased spending to the tune of almost $1 trillion—military spending, the largest military buildup in history. There's no comparison to the economy of Ontario.

Bill 26 is designed so that Ontario will restructure and will create a level playing field for business. We know if we cut spending, if we cut all the government out of Queen's Park, we'd still only save $5 billion. We'd still be spending $4 billion or $5 billion a year more than we're taking in.

We have to represent all of Ontario. You do an excellent job of representing your members, but we have to represent people who are unemployed, we have to represent people who are not union members. We've seen some good news already and we know we're going to see a lot more. In Alliston, we know that Honda's expanding—there'll be 1,000 jobs plus spinoffs—and Disney's coming to Toronto. We know there will be a lot more because we're creating this level playing field.

In your statement you say that "lower-income households spend 95% of any increase in income;" 87% of the people of Ontario make under $50,000 a year. We're going to give them all a tax cut. My question is, don't your members want a tax cut? Don't you think they would spend it in the economy? Your statement says they would.

Interruption.

The Chair: Order, please.

Mr Young: I'd like to know, have you polled your members and asked them if they want a tax cut? We did, on June 8, and a lot of them voted for us.

Mr Cooper: In my presentation you have the results of a poll that was taken in the province that showed no, they don't want the tax cut at the expense of job creation and the loss of our health and social safety net.

Mr Young: But we don't accept the premise of your question.

The Chair: Sorry, Mr Young, but a minute is a short period of time and we've come to the end of that. Mr Phillips.

Mr Phillips: Well, there's good news in here, according to the government; bad news, I think. The number of people out of work in 1996 is higher than it was in 1995. Then the number of people out of work, in this document, in 1997 is higher than it is in 1996. So two and a half years into the Common Sense Revolution, the government itself is predicting more people out of work than when it came into power.

My question to you is around the pension provision. The government tried to take $250 million out of public sector pensions. They tried to do it through regulation. You took them to court, or the public sector took them to court, and the court said they couldn't do that, they were acting illegally. This bill now does what they couldn't do in the courts. It passes a law allowing them to take $250 million out of the pension fund.

What is your judgement on the climate that this might create for the bargaining that is going to take place between the Ontario government and the public sector over the next few months?

Mr Cooper: I think it's quite obvious just from the news this morning where the Ontario Public Service Employees Union said that they would go to the end of this week—and they expect no movement from the government—and they will be putting themselves in a strike position.

Mr Cooke: One minute is extremely difficult. Gerry has talked a bit about the climate for negotiations. I'd like to just ask you about a little bit more about that. There's the OPS, but then there's all of the workers in the broader public sector, teachers and all of the municipal workers and so forth. Your chamber this morning—and I'd encourage you to talk to the chamber—said that in addition to the arbitration changes that are proposed in this, there should be restrictions on even who can be arbitrators in the province.

Do you not believe that's going to result in exactly the opposite of what the government says it wants to achieve and that means there's going to be a lot more public sector strikes? Why would the employer even want to negotiate? They'll get such a good deal on arbitration, they might as well force them all out on strike.

Mr Cooper: That's absolutely true. I'd like to make a small comment here and it may be in response back here. If we're talking about fairness here, if you look at what's happening in Ontario, employees' wages are going up by 2% to 4%, and yet in the third quarter last year, corporate profits were going up by 20%. That is not a level playing field, and that's not fairness in the province. This bill is going to increase the unfairness by penalizing the poor for the tax breaks for the rich.

The Chair: Thank you, gentlemen, for coming forward to the committee today and making your presentation.

CANADIAN AUTO WORKERS REGIONAL POLITICAL ACTION COMMITTEE

The Chair: Can I have members from the CAW political action committee come forward, please. Good morning and welcome to the standing committee on general government. You'll have 30 minutes to make your presentation. You may use your time as you see fit. You may wish to leave some time at the end of your presentation for questions and response. I'd appreciate it if you'd each read your names into the record for the benefit of Hansard and committee members.

Ms Sharon Mitic: Good morning. I'm Sharon Mitic and this is Dave Fairfull and Bonnie Dunseith. We represent the Canadian Auto Workers Regional Political Action Committee. The areas include Stratford, Kitchener, Waterloo, Cambridge, Guelph and Brantford.

We are very concerned about the undemocratic direction and implementation of Bill 26. We believe your government is not interested in listening to the people of this province. You are here today only because of pressure from the opposition parties.

Bill 26 is so complex and far-reaching that the average citizen of this province cannot comprehend the consequences of the changes. The two-month time frame proposed by your government from first reading to passage of the bill does not allow sufficient time to determine the effect of the proposed legislation.

This legislation contains 17 schedules which enact or amend over 40 separate pieces of legislation, giving unprecedented powers to government ministers and the Ontario cabinet. We request that this committee recommend to the provincial government to separate and hold public hearings on the related acts. We are fairly sure that our suggestion is made in vain, considering the government majority on the committee quashed a motion to simply inform the government House leader about the public interest regarding this bill.

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The proposed amendments to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act give more arbitrary powers to ministries and institutions, while at the same time reducing their public accountability. Proposed institutional power to deny access to information will jeopardize the appeals process. This is a direct contradiction of your statement in the Common Sense Revolution on page 17, which states, "It is rare that politicians and bureaucrats voluntarily surrender power, but it must happen."

We question the government's common sense in giving the head of an institution the right to refuse access to a record where, in the opinion of the head, it is frivolous or vexatious. The definition of vexatious is "causing or intending to cause annoyance." We raise this concern considering the request may challenge an action initiated by the head of the institution. This proposed change equates to putting the fox in charge of the hen house. If someone requested information and inquired a few times to see what stage the request was at, would the head of the institution have the power to claim this was vexatious?

The various user fees for retrieval of information and appeals will also deter people from seeking out information. Past studies indicate the present fee system is sufficient to deter frivolous requests. To tip the balance of access further, your proposed legislation allows the head to decide who will pay for this information and who will have the payment waived. With this power, the head can unilaterally give a gift to a friend via the taxpayers' pocket.

The Common Sense Revolution failed to mention Tory plans to make it harder to get information from the government. What are you planning on doing that you need to hide?

Dave will continue.

Mr Dave Fairfull: Connected to the above concern is the Public Sector Salary Disclosure Act where disclosure doesn't apply to for-profit corporations receiving either $1 million or 10% of gross revenues from the Ontario government, as it does to the broader public sector. If private enterprise wants government funds, the same rules should apply. We should be most interested in comparing private salaries over $100,000 versus public ones. This direction leads us to the conclusion that your government promotes double standards.

Another pro-business, trust-the-private-sector, put-on-the-blinders concern is the proposed changes to the Mining Act. This bill gives Ontario mining companies more room to pollute. The rules now state that a mining company that winds up operations must satisfy the

government that it has a plan to clean up any toxic waste it produces. The rule is to prevent mines from pulling out and leaving the landscape of northern Ontario littered with poisonous tailings.

Under the proposed new bill, a mine that closes no longer has to have its shutdown plan approved by the government. It simply must inform the government it meets provincial standards. The current law requires careful annual inspection of every tailings site. The proposed new law will replace this with only random spot-checks.

The Environment minister of this government has told the Toronto Star, "You can't have a healthy environment without a healthy economy." This is a frighteningly incompetent thing for an Environment minister to say. There is, in fact, a direct relationship between the health of an economy and the danger to the environment. The environment needs to be protected from a healthy economy; it cannot protect itself. This government needs to ensure that adequate measures are put into place and enforced. Whether this government or the Environment minister cares to admit it or not, it costs money to keep effluent from healthy factories away from healthy rivers and lakes.

Our next concern: The proposed taxation powers of municipalities would appear to allow for municipal poll taxes, a host of user fees and other changes to the municipal services, and may even permit municipal charges based on income. Your Common Sense Revolution claimed there is only one taxpayer, and any municipal action should not result in increases to local property taxes. It is also our understanding that the Minister of Municipal Affairs retains the power to limit or impose conditions on the charging of such fees.

The confusing and inconsistent information prompts us to pose the question: Do you plan to exercise your right to disallow any municipal tax you do not like? If not, what power will the municipalities have to make up for the shortfall in funding cuts?

The direction of this legislative change is a fundamental shift to regressive taxation policies designed to disproportionately affect the middle- and lower-income earner and the social services recipient.

The right-wing manipulation of public opinion against welfare recipients obscures the inevitable elimination of recreational, counselling and cultural opportunities for many children in our community, including children of middle-income families.

Your proposal to privatize public services without a municipal referendum opens the door to a less civilized society. The loss of universality of social programs will jeopardize living standards for many of our citizens, including the right to quality education. Two tiers of service will ensure superior education for the children of the wealthy. The poor, the disabled and the mentally challenged will be shut out of mainstream society if family incomes do not permit the ability to pay extra charges.

We fear the failure to include any mention of rules and regulations for the new legislation will bequeath a legacy of poverty and neglect for our children and a burden of social and health problems for society. We urge you to exercise caution in your haste to benefit the élite of Ontario.

This government plans to implement a new tax on plan holders and members of benefit plans. This would likely include benefit plans supplied to workers by their employers such as dental, prescription drugs, eyeglasses and any hospital coverage. This tax will be a further burden on the working class that is already beginning to struggle to keep its families healthy under this government's cutback program. Working people don't need a more burdensome tax on top of this.

The right of citizens to decide through a referendum whether a municipality will privatize its hydroelectric utility or its water system or its sewage treatment has existed for years. Portions of Bill 26 indicate repealing this provision, a fact not mention in the campaign platform.

We are also concerned that permanent environmental damage will occur if communities implement user fees for garbage collection. If it comes down to a dollar for a loaf of bread to feed the family versus paying for garbage collection, the choice is clear. The elimination of the funding for the blue box program will add to this problem.

The implementation of transit fare hikes will be devastating to the majority of transit users. Upper-income earners do not require public transit. Limiting accessibility to this system for users of public transportation will further alienate and isolate sections of society, leading to an increased demand for social services. It is a sad day when someone can't afford to get to work, to send the children to school, and when a senior, due to limited funds, can't receive medical treatment.

Ms Mitic: The government's attack on women and children is extremely alarming to our committee. Cutting jobs and services people depend on to provide tax cuts for the rich will impact some of the most marginalized members of our society. The Equal Pay Coalition is alarmed at the government's intention to eliminate some of the most progressive legislation introduced in a Canadian province or the international community in the past decade.

The Equal Pay Coalition believes omnibus Bill 26 shuts the door on women who are still owed wage adjustments under pay equity using the proxy method. This is not fair. The women being left out in the cold work in child care centres, nursing homes, treatment centres, and provide services in the community. In a recent speech to the Pay Equity Commission, the Honourable Elizabeth Witmer said publicly that she and your government are firmly committed to pay equity. Why is your government stopping the progress of the most underpaid and vulnerable women towards fair wages? It is just because these women work in all-female workplaces. This bill takes away their right to achieve pay equity under the proxy method.

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In 1985, the government of the day set out a method to achieve pay equity using comparisons to jobs in the same workplace. Women in all-female workplaces were left out, but the government promised to find a fair method so that they would get pay equity too. These women tend to be the most underpaid and undervalued women workers in the province.

In 1993, the government of the day set out the method so that women in all-female establishments could achieve pay equity. These adjustments were not retroactive and would take a long time to implement, but the promise of equality kept these women going.

In 1995, without reviewing the Pay Equity Act, as required by law, your government has stepped in to roll back pay equity. Your government tells these women that they will either get no money or get only partway to the wage parity they were promised. This means you expect them to continue to subsidize the important community services they provide. You are telling them to give up hope of being paid what they deserve.

We support the Equal Pay Coalition's recommendation that the proxy pay equity methodology be maintained until women reach equality. However, if the government insists on rolling back these promises, at a minimum, these women should not lose what they have gained. Any pay equity plan that was agreed to must be honoured—no takeaways. Employers who renege on payments must be subject to enforcement. The provision for complaint in the Pay Equity Act must be maintained.

You failed to mention your plans to roll back pay equity in the Common Sense Revolution. The women of this province are not prepared to go backwards. We will not provide low-wage labour or unpaid labour so the business community can increase its profits.

Pay equity is a long overdue right for women workers. It helps women who are working poor in the service sectors and in many other undervalued occupations. Without pay equity, women will be forced to live on substandard wages despite working long and hard for them. Pay equity not only benefits individual women, it is important for a thriving economy. Pay equity adjustments are pumped back into the economy as women buy clothing, food and provide housing for themselves and their families. We envision a society where the bottom line for policy decisions will be the economic security and equality of all its citizens.

Time does not permit us to address all areas of concern, nor are we able to assess the full implications of Bill 26. We would like to mention briefly our opposition to a number of proposed changes.

It is our understanding that amendments to the Capital Investment Plan Act and the Highway Traffic Act will give authorities the power to put a lien on a person's house or other property to collect unpaid tolls; interference with respect to interest arbitration for fire, hospital, police, public service and school board sectors where the proposed changes could require public sector workers to subsidize the provision of public services through substandard wages; also the amendment to take away certain pension rights from Ontario public servants whose jobs are about to be eliminated.

We have, however, come to the conclusion that Bill 26 will further polarize a society where the income gap between the rich and the poor is rapidly increasing.

We believe Bill 26 has been designed to circumvent the legislative process. We repeat our opening statement: Three weeks does not allow sufficient time to consult with all groups wishing to speak.

The changes you are proposing and have already introduced will promote intolerance and backlash against the most vulnerable in our society, pitting workers against the unemployed, the rich against the poor.

Bill 26 is a direct attack on the Canadian values of caring, sharing and the dignity of work. The Conservative government's plan to dismantle fundamental government social programs, transfer more wealth and power to the already wealthy and powerful and roll back the basic gains that working people have built up over the postwar period will not be accepted without resistance.

Our final question to the panel: Are you aware of all the proposed changes and do you understand the consequences of Bill 26?

The Chair: Thank you very much. We have three minutes per caucus for questions, starting with Mr Phillips.

Mr Phillips: I appreciate your presentation. Actually, your last few paragraphs I think are exactly what is planned, unfortunately. This bill is all about implementing—

The Chair: Excuse me, Mr Phillips. I apologize, I'm sorry, ma'am. Did I stop before you were about to—

Ms Chris Greason: I have some added stuff, information here that was kind of a last-minute portion of it.

The Chair: Go right ahead. I apologize, Mr Phillips; I assumed they were done. It was my fault.

Ms Greason: I'm also part of the social action committee. My name is Chris Greason and I'm from Stratford. Being part of the social action committee and also being president of the labour council and a member of Local 1325 in Stratford, I'm also the chairperson of the Perth County Coalition for Social Justice, which is an arm of the continued fight that we have. So this is part of the presentation that we've put together. I'm a fast reader, so I'm going to go through this rather quickly.

The Perth County Coalition for Social Justice is a grass-roots organization whose purpose is to provide a forum through which the population of Perth county can voice concerns and take action to resist the current government's self-serving attacks on our lifestyles and our communities.

The coalition was formed in response to a huge cry of outrage voiced by the many and diverse people and the interest groups that populate Perth county. Never before in the history of Ontario have so many people felt collectively motivated to mobilize against the government of the day—women, labour, seniors and disabled, farmers, health care workers, and the list continues to grow—all persons coming together saying no to this government, a government that has incurred the wrath of Ontarians as no other government before it.

Bill 26 is a massive piece of legislation designed to give the government undisclosed and sweeping powers. It will give the government carte blanche in effecting changes that will result in dire circumstances for individual Ontarians and the landscape of the communities they have worked to build.

In response to this encroachment on our rights as citizens and taxpayers to participate in this process of change, the Perth County Coalition for Social Justice is taking this opportunity to submit some of the things that we went through to the standing committee on Bill 26

and our views on this detrimental and decidedly undemocratic piece of legislation.

In attempting to pass Bill 26 without discussion, the provincial government has made an unprecedented power grab, a move that will give government ministers and their appointees the power to make up whatever subjective rules they see fit without having any debate in the Legislature, let alone any consultation in the communities to be affected.

The Perth County Coalition for Social Justice is calling for the scrapping of the omnibus bill, a bill which attacks our democratic process, will devastate our public services, impose hardship on our communities, a hardship that will especially be felt by those who are most economically disadvantaged—children, seniors, the unemployed, the disabled and persons on assistance, the majority of whom are women-led, single-parent families.

Should the Conservative government be allowed to sweep aside its campaign promises and carry out its corporate mandate without being challenged or should we allow the government to autocratically award itself heretofore unknown power to govern and create change in this province, against the wishes of many, many Ontarians, at the expense of our communities? As a coalition comprised of concerned citizens who are dedicated to preserving a decent standard of living, present and future, we'd like to say no to this government.

Just as collective agreements sometimes need interpretive guidelines, and just as those guidelines are sometimes much longer than the collective agreement itself, so should Bill 26, the omnibus bill, or the Savings and Restructuring Act, 1995, come with such interpretive guidelines.

The 221 pages of this bill contain so much language that is open to interpretation it leaves one wondering just what rights are left for individual Ontarians. Rights of appeal are extracted. Rights of protest are met with autocratic, authoritarian-like, "We know what is best for you" responses. The right to open public consultation on legislative changes is being shunned as at no other time in the history of Ontario. Even these public hearings were agreed to only after unprecedented action in the House. What this government is doing is shameful, disrespectful and diametrically opposed to the established democratic process of Canadian government.

We wonder just how many individual MPPs have actually read the bill in its entirety, and even more importantly, how many of them understand its full meaning. Without interpretive guidelines, what is written in Bill 26 can be read different ways by different persons and result in completely different comprehension and implementation.

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Many portions of the bill are shocking, to say the least. The Ontario Transportation Capital Corp may establish an electronic toll system on our highways. The corporation may also decide whose vehicle will have the toll devices attached to them. This obviously means some groups may be fitted and others not. By whose discretion? The bill also allows the corporation to place liens against real estate and personal property of those who owe tolls or interest on unpaid tolls. There is no right to a hearing on a disputed toll, no right of appeal.

In schedule D, the Ontario Loan Act authorizes the government to borrow up to $5.6 billion in 1996 from capital public markets, international loan markets and the Canada Pension Plan for the consolidated revenue funding in order to discharge any indebtedness or obligation of Ontario. Does this mean that to balance the budget and claim to have eradicated the deficit, the government will actually be able to increase the debt by $5.6 billion in 1996 alone?

In the amendments to the Independent Health Facilities Act, the minister is allowed to specify which persons may send in proposals for a licence to establish and operate an independent health facility without ever having to request proposals from the general public. This coalition fails to fathom how the majority of our elected representatives can find this sort of blatant favouritism acceptable.

Access to personal information under these amendments is left entirely up to the minister. He or she decides who will have access to any or all of the information regarding any person. This alone is unconscionable, but the amendments go even further, to expand the immunity of the crown and prevent persons from claiming compensation against the crown, the minister or any director for damages resulting from any actions by any of these individuals.

Then schedule K alters the freedom of information act, which has already been mentioned previously. Most notable, it has been interpreted to mean that no piece of information on any person in the province is safe from scrutiny by anyone, unless the request is deemed to be frivolous or vexatious. Quoted is section 10 of the act:

"(1) Every person has a right of access to a record or a part of a record in the custody or under the control of an institution unless,

"(a) the record or the part of the record falls within one of the exemptions under sections 12 to 22; or

"(b) the head is of the opinion on reasonable grounds that the request for access is frivolous or vexatious."

Changes to the Municipal Act will allow the minister to rule as a czar might. The minister will be able to wipe out an entire municipality by annexing it to another or dissolving it completely and incorporating its inhabitants into some other municipality. Municipalities will be able to sell or dispose of conservation areas for which they no longer receive provincial funding.

Section Q is about the arbitrators, which has previously been mentioned; I'm going to skip over that.

Schedule A, the Public Sector Salary Disclosure Act, stipulates that any public sector employee paid over $100,000 annually must have that wage publicly disclosed. Perhaps the amendment should also read that any private sector employee paid over that salary level should also have to make a public disclosure.

Then amendments to the Corporations Tax Act and changes to schedule G, the Ontario Drug Benefit Act, I just found out late last night that we have standing on January 17 for the health, so I'm going to skip over this portion. But I did want to mention just part of it, with the physicians, because of personal contact with some of the physicians about being told where they can and where they cannot practise.

If an area is oversupplied, then the Minister of Health will implement a moratorium and no more physicians will be allowed to enter into practice in that geographic area until the minister decides that the area is open again. An eligible physician who fails to comply with such requirements or conditions will cease to be an eligible physician under the minister until his or her designate decides the physician is again eligible.

These changes and others in schedule H, amendments to the Health Insurance Act and Health Accessibility Act, make one's jaw drop, and I'm sure the doctors will also be implementing some of it.

The Chair: Thank you. We unfortunately have only about three minutes for questions, although Mr Cooke did consent to dividing his time between the other two parties. He had to go out for one minute. Mr Phillips, about a minute and a half, sir.

Mr Phillips: Hardly time to do it justice, but you are right, this bill is designed to implement the Common Sense Revolution. It's very clear that they want to cut spending drastically—it said $6 billion here; it's now $8 billion—so they can fund $5 billion worth of tax cuts, and the more you make, the bigger the tax cut. It's also quite clear that it will be the least-able-to-afford citizens who are going be hit the hardest.

I'd just like you to comment on, I guess, one thing. We had the minister, Mr Leach, indicating that he was encouraged to hear that one of the mayors—because there are going to be all these new fees introduced, all sorts of new fees—who was planning to introduce fees would find corporate donors so that underprivileged children could use libraries.

I personally find it abhorrent, the thought that if your family doesn't have money, somebody's got to find a corporate donor for you to use a library. I guess I'd just ask your organization how you would respond to the thought of corporate donors having to be found so that young people who don't have money can use a library.

Ms Mitic: My concern is that large numbers won't be able to access libraries if for some reason corporate donors aren't found. As a library user all my life, I find that absolutely disgusting, that every citizen doesn't have equal access to public libraries.

Mr Joseph N. Tascona (Simcoe Centre): Thank you for your presentation. We don't have very much time, but I'd just like to give you a little bit of the government's reasoning behind some of the areas you addressed.

With the freedom of information on the issue of access, we've heard from police boards, municipalities and school boards, and I'll give you an example of the reason why they've got concerns and why we've put it down to the local level in terms of making them accountable to deal with frivolous or vexatious claims.

The example given yesterday was an individual with over 700 requests, over 200 appeals to a police service, and the information being requested was things like police shoe size, the number of fax machines for the police, the number of UFO sightings. It cost the police service over $75,000 in terms of dealing with this type of request.

Their concern is basically that they'd like to make the decision whether it is frivolous or vexatious. We're not taking away the right of appeal, but the amount of money that would go into preparing for these appeals giving information on shoe sizes, this type of information—I think what we're trying to bring in is a more accountable system to make it more cost-effective for the taxpayer and to bring the decision to the local decision-makers who have been elected at that level.

With respect to pay equity, we're not stopping the process for pay equity. The government's committed $500 million this year, in 1996, in terms of achieving pay equity. And I think you do know that the pay equity we're talking about, bringing it in line with the private sector; the private sector doesn't have proxy comparison, which involves comparisons with other organizations. The principles originally were comparing male and female within the original organization and we're returning to that. Also, there is no other province that even has proxy comparison. What we're trying to do here is bring back some reality for the taxpayer and say who is going to subsidize what.

The Chair: Mr Tascona, I apologize for interrupting, but you've come to the end of your time.

I apologize again for the interruption. Thank you for coming forward today to make your presentation.

GUELPH/WELLINGTON COALITION FOR SOCIAL JUSTICE

The Chair: May I please have members from the Guelph/Wellington Coalition for Social Justice come forward. Good morning, ladies and gentlemen, and thank you for coming today to appear before the standing committee on general government. You have half an hour this morning to make your presentation. You may use your time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd introduce yourselves at the beginning of the presentation for the benefit of both Hansard and committee members.

Mr Bill Clifford: My name is Bill Clifford, and on my left is Wendy McCowan, on my right is Susan Neath and on my far right is Marion Cummings. We are all members of the Guelph/Wellington Coalition for Social Justice. Everything that we read is included in our written submission, which you have, and it has additional information as well. Thank you for permitting us to appear before your committee.

The Guelph/Wellington Coalition for Social Justice is a member of the Ontario Coalition for Social Justice and the Action Canada Network. Our coalition is made up of over a dozen local organizations, including the Guelph and District Labour Council; the Guelph Ministerial Association; Ten Days for World Development—Guelph; Local 636 of the International Brotherhood of Electrical Workers, Guelph; the Guelph Professional Fire Fighters Association; the Guelph International Resource Centre; the Wellington County Women Teachers' Association; District 39, Wellington county, Ontario Secondary School Teachers' Federation; the Wellington Ontario Public School Teachers' Federation; the Wellington county branch of the Ontario English Catholic Teachers' Association; and a number of other local organizations. It is some two and a half years old.

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On behalf of our members, we must clearly state our opposition to both the contents of Bill 26, the omnibus bill, which gives the cabinet arbitrary and far-reaching powers, and the method of its introduction to the Legislature and the Ontario public. It was brought to the floor of the Legislature when the opposition parties were in a lockup examining the Finance minister's economic statement and would have become law before Christmas but for the actions of the opposition.

The GWCSJ does not believe three weeks of hearings are sufficient, given the broad and fundamental implications of Bill 26, and agrees with Robert Sheppard of the Globe and Mail, who stated, "At the very least, this omnibus bill should be broken into four separate acts: health care reform, municipal restructuring, civil service and pension changes, and then the rest." This was on December 18, 1995, in an article.

The omnibus bill amends 44 other acts, repeals two others and creates three new ones. In brief, Bill 26 includes substantial changes to the following areas with which our brief will deal: municipal affairs, where municipalities will be restructured, giving them broad powers to dissolve or alter boards and commissions, as well as to initiate or raise taxes and user fees within their territory; rewriting the rules of bargaining with firefighters and other workers in the public sector.

The changes are organized into 17 schedules given letters from A to Q. We have chosen to discuss the following:

Schedule M, municipalities: This part of the bill amends the Municipal Act and 12 other statutes relating to municipalities. This is one of the most important and we think dangerous parts of the bill. It gives the Minister of Municipal Affairs much greater power to restructure municipalities, privatize public utilities and impose new direct municipal taxes and user fees.

The power to dissolve or change local boards: The bill would give municipalities broad powers to eliminate local boards. The definition of a local board includes school boards, public utility commissions, public library boards, boards of parks and recreation management, boards of health, police services boards and other bodies of a municipal nature. Under the bill the council of a municipality would have the power to dissolve or make changes to any local board simply by passing a resolution. The only restriction is that the cabinet must pass a resolution permitting the dissolution of the local board in question.

Privatization of public utilities, including electricity, water, sewer or transportation, will now be carried out by a vote of city council. The present law requires a referendum to be held in the jurisdiction involved. The contracting out of municipal services was already permitted in Ontario without a referendum. Bill 26 will see the selling of services directly to the public, as now occurs in more full-blown privatizations.

Our coalition opposes these powers for a variety of reasons. First, the power to dissolve or alter local utilities without a municipal referendum is undemocratic. When was this government, and the municipalities now poised to exercise these powers, given a mandate for such changes? What powers will local voters have to oppose these changes that might significantly raise taxes?

Secondly, the number and the scope of the proposals being floated by the government leave people confused and a little fearful. We hear on the one hand that the Wellington board of education will be combined with Dufferin public board, while the Wellington separate school board will be linked with the separate school system of Waterloo—this was in the Guelph Mercury of September 7, 1995. Although this proposal came out of a study done for the former NDP government, it will certainly be easier to put into effect under Bill 26. Would further amalgamations destroy the close cooperation exemplified by the two Wellington boards, which, working together, achieved a saving of $2.9 million in 1995? That's from the Guelph Mercury of September 7, 1995.

Local fire services may become part of a Wellington county service. Counties and regional governments are empowered to do this in the omnibus bill. Moreover, these powers were inserted into Bill 26 with no consultation with interested parties. For example, the Ontario Professional Fire Fighters Association was assured in writing by Premier Mike Harris and Labour Minister Elizabeth Witmer before the June election that changes to working conditions would not be carried out without consultation with Ontario's firefighters. Copies of these letters are at the end of your written brief.

This was not done, and what are the plans for public utilities in Guelph? Guelph Hydro seems to enjoy a large measure of local support. It, like all local hydros, is self-supporting. Its mandate is to deliver electricity as a local service on a full-cost-recovery basis, with no recourse to taxes. It operates on a non-profit business basis; this in a brief your committee received from the chair of the Municipal Electric Association last Monday in Windsor.

Yet the Harris government has launched a study of Ontario Hydro under Donald S. Macdonald, with a broad mandate to comment on all aspects of the electricity market, "including the 300 local utilities that supply power to most of Ontario's population." This was in the Globe of January 4, 1996. The size and scope of these plans strike us, and many Guelphites we speak to, as bizarre.

An education system straddling three counties, a fire service taking in Aberfoyle, Fergus, Mount Forest and Guelph, and utilities covering goodness knows what, will leave the ordinary citizen's head spinning. We worry that established, effective local organizations will become large bureaucracies requiring even more tax dollars and responding less to individual problems. Bigness, ladies and gentlemen, is not always better.

New taxation powers and user fees: Municipalities and local boards will be given powers to impose user fees or charges on any class of person. These may be levied for virtually any purpose; they may take any form, including a direct tax. Subsection (9) states that user fees cannot be appealed to the Ontario Municipal Board, "on grounds that they are unfair or unjust." At present, municipalities can levy user fees, but only on matters specified in provincial legislation, such as garbage, water and sewage charges, homes for the aged and public transit. The new law will permit municipalities and boards to charge for

almost anything. As Mr Terry Mundell of the Association of Municipalities of Ontario stated in commenting on $700-million cuts to Ontario's cities and towns, "The equation is very simple: Reduced transfers will require reduced services, increased taxes, alternative sources of revenue, or some combination of the three," Globe and Mail, December 22, 1995.

Guelph has been hit by a last-minute funding cut of $900,000 from 1995 and a reduced transfer from the province of $1.8 million, putting our city in a precarious financial position. This was in the Guelph Tribune, January 3, 1996. We already have a councillor talking about cutting Guelph Public Library services. This just happens to be the oldest free library in Ontario.

Increased charges will likely be levied for transit, water and sewage rates. There will be a myriad of charges imposed for garbage collection, use of parks and arenas, amateur hockey—Guelph presently receives a provincial subsidy of $46 an hour, which is matched by skaters; what will happen to amateur hockey?—snow removal, library services, even police and fire.

Ms Marion Cummings: As I address my comments to this committee, I am aware of the fact that this government really doesn't consider this bill of much consequence. Surely, if it did value the issues contained therein, there would be at least one woman at the table.

The effects on education: The impact of Bill 26 on the quality of public education is a frighteningly negative one. We are concerned with the following areas: firstly, the criteria proposed for arbitrators and selectors in section 5 of schedule Q; secondly, the restructuring of municipal boundaries without reference to consultation with the educational community, as indicated in section 1 of schedule M, referring to subsection 25.2(2) of the Municipal Act; and, thirdly, the ambiguity regarding the disbanding of school boards as indicated in section 1 of schedule M, referring to subsections 210.4(2) and (3) of the Municipal Act.

If the extent to which services may have to be reduced without additional funding is going to be a decision of an arbitrator or selector, then the decision-makers are truly burdened with a very grave responsibility.

The students of Ontario need the broadest possible education to provide the most qualified workforce for a competitive market in the global economy. We're very concerned that programs which provide knowledge and skills directly linked to a productive society may be lost. Future citizens require the ability to work with technology at all levels. We can't afford to discard programs in information retrieval and application, consumer studies, industrial design and technology. Our youth really need, now and as future workers, to communicate effectively and sensitively with each other, to recognize and deal with personal problems without conflict. We can't afford to ignore the twentieth century diseases of violence and crime. How can we not make guidance programs mandatory, given the high cost of unemployment and of deviant behaviour?

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Our future employees need direct experience with the workplace and how abstract verbal and numeric skills will be used in the workplace. Let's not consider cooperative education expendable.

It's crucial that all be prepared to live physically and emotionally healthy lives. The knowledge and skills for physical health are the backbone of health and physical education curricula. Emotional health requires not only guidance programs but support for the artistic pursuits which release stress, improve communication and inspire humanity.

Bill 85 established the mandate to provide special education for those with special needs. If we're going to reduce the extent of services to those students, we will be criminally disadvantaging them further in their efforts to become productive citizens. The continued commitment to educational assistance now is less costly than the drain of social assistance in adult life. Be assured that if not served in their formative years, many will fill our welfare rolls and our prisons.

The Harris government made a promise to maintain current levels of educational services so that children in the classroom would not be penalized, yet this very government will reduce spending grants to school boards. If the government desires to maintain or increase the level of services, then it follows that boards must be able to pay current or increased costs. We suggest that boards of education must be provided with the means to increase current funding levels though additional taxes and levies.

Schedule Q also refers to potential deployment of non-teachers in teaching roles. We are opposed to this. Qualified teachers are best able to integrate the delivery of skills—for example, using electronic card catalogues, considering conflict resolution alternatives, using consumer price indexes—within the total curriculum. These are not isolated skills. Technicians whose expertise is limited to their own fields are not acceptable teachers.

The restructuring of municipalities without consultation with the educational community is hazardous. Where a new structure does not conform to the shape of the current board of education, there are bound to be confusion, administrative inefficiency and tax complications. Our school systems are trying now to reduce any form of extraneous waste and inefficiency. This aspect of schedule M works against these efforts.

The intent of schedule M is ambiguous in regard to the power of municipalities to dissolve boards of education. It appears to some that such a possibility exists—as was quoted in the Kitchener-Waterloo Record, January 6, in the article "Bill 26 Out of Line," page A5—despite the unclear wording of the suggested change to the Municipal Act, subsection 220.1(1). We sincerely hope that this section will be clarified by the minister to confirm that the intent is to maintain the governance of boards of education under the Education Act.

The Municipal Act has never had boards of education under its jurisdiction. If the Municipal Act were now to regulate the structure of school boards, we would consider this very detrimental to education. If municipalities can disband boards of education, one must ask, who would handle the variety of administrative functions needed to deliver education? What body or bodies would apply for, receive and administer the per-pupil grants? What superadministration might you require to coordinate

the variety of different levels that could arise, and from what budget line would you fund that one? Would all students residing in the same jurisdiction be offered or guaranteed equal quality of education?

Our educational neighbours to the south have perceived the costs, both economically and qualitatively, of over-centralized education. The city of New York is currently considering how it may best restructure its system into the constituent boroughs instead of centralized. The centralization of education in France has certainly not provided a higher quality of education. Your own government has elsewhere indicated its recognition that more bureaucracy provides less connectedness to clients. If amalgamation creates monolithic and unwieldy systems to administer, it's surely not the route to educational improvement.

The other door which would be opened by the disbanding of boards is that of charter schools. We're firmly in opposition to this model of education, as it destroys the fibre of free and equal access to quality education for all. The resulting streaming of students, as well as inequitable allocation of funds and teachers, is to be condemned for its perpetuation of poverty cycles.

Mr Clifford: The effects on Guelph cultural life: Our coalition wonders in particular about the effect the new taxes and user fees will have on Guelph's rich cultural life. Guelph currently receives about $200,000 a year from the Ontario Arts Council to support its three music festivals—the Guelph Spring Festival, the Hillside Festival of Guelph and the jazz festival—along with the MacDonald Stewart Art Centre, the Guelph Civic Museum and numerous other local arts organizations. Other large donors are the University of Guelph and the city itself. Given the cutbacks to all three of these donors, is it realistic to ask individual ticket buyers and the private sector to pick up the slack?

In 1983, the Guelph Arts Council got $300 from fundraising, while in 1995 that figure had reached $40,000—interview with Sally Wismer, Guelph Arts Council on December 31, 1995.

In a recent study of arts funding published in the Globe and Mail, November 23, 1995, there was a comparison of two similar-sized western and eastern cities in the US and Canada: Omaha and Winnipeg, and Boston and Toronto. The Canadian cities enjoyed a greater richness of arts offerings and a more generous level of individual financial support. But should government funding in Canada be cut further, private donations may not fill the gap. The study found private donations in Canada were close to being exhausted.

Although it is difficult to get exact figures on the economic impact of arts activities on Guelph itself, there are fairly close approximations which are used by the Canada Council and others. It has been estimated that Guelph's three music festivals add over $1 million to the local economy: the Hillside Festival, $454,000; the spring festival, $633,000; the jazz festival, $44,000. Calculations are worked out in your written brief. This then is an industry that adds a richness, both spiritual and economic, to Guelph while more than paying its way. Years of cutbacks and freezes have left it close to the edge. As Brian McCurdy, general manager of the Guelph Spring Festival, recently stated, 1996 could be a make-or-break year for the Guelph Spring Festival—Guelph Tribune of December 26, 1995. The same could be said for much of Guelph's artistic life.

Ms Wendy McCowan: Restrictions on arbitration, schedule Q: This schedule amends the Fire Departments Act, the Hospital Labour Disputes Arbitration Act, the Public Service Act and the School Boards and Teachers Collective Negotiations Act. Teachers, firefighters, police and hospital workers will now be subject to the restrictions of Bill 26, which inserts statutory criteria which an interest arbitration board is required to consider in making its decision.

Arbitrators will now have to consider (1) the employer's ability to pay in light of its fiscal situation, (2) the extent to which services may have to be reduced if the current funding levels are not increased, (3) the economic situation in Ontario and in the municipality or municipalities concerned, except in the case of the Public Service Act, where the economic situation of Ontario is considered, (4) a comparison of the terms and conditions of employment and nature of the work performed with other employees in the broader public sector, and (5) the employer's need for qualified employees.

These provisions represent significant interference in the independence and integrity of the arbitration process and we oppose them. Traditionally, boards of arbitration have been extremely reluctant to look at the criterion of ability to pay since it could require public sector workers to subsidize the provision of public services. The new criteria could render collective bargaining largely irrelevant since employers would resist coming to an agreement because they would feel confident a favourable—to them—arbitration decision would be reached. Ability to pay could allow the government to unilaterally determine wages and benefits by reducing transfer payments.

Moreover, since there is no objective test for measuring a public sector employer's ability to pay, arbitrators have argued that ability to pay really amounts to willingness to pay. Can this be simply a veiled method of imposing wage controls? As public sector wages and numbers are pushed downwards, won't the public dependent on those services be increasingly at risk? Is not the deep-seated anxiety felt by Ontarians concerning their future in part at least the result of lower-quality and disappearing public services?

The bill also requires arbitrators to consider the extent to which services may have to be reduced if current funding levels are not increased. While a number of interpretations may be made on the purpose of this measure, one effect it could have is to involve arbitrators in discussions about the level of service employers provide. This then would relieve governments of their responsibility to make decisions for which they should be accountable.

Conclusion: Bill 26 has been characterized as one of the most direct power grabs in modern Ontario history. Under it, "The Premier or one of his ministers will have the power to make fundamental, far-reaching decisions without so much as a nod to the Legislature, much less to the rest of us." Cabinet government can be "vigorous, executive-dominated government, but it is not...govern-

ment-by-announcement" in which critical citizens and interest groups are "derided, marginalized and ignored." Robert Vipond, Globe and Mail, December 11, 1995.

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What alarmed many in our coalition were not just the contents of the omnibus bill, bad as those were, but even more, the fact that Premier Harris and his cabinet, and many in the PC caucus, saw nothing wrong in the arbitrary way the government tried to push this measure through the Legislature in the last couple of weeks before Christmas.

Our suggestion is to break down the omnibus bill into at least four parts, as suggested in a recent Globe and Mail editorial of December 19, 1995. Then use the ensuing consultation process to develop a truly "common sense" program.

In our view, in these uncertain times, the Ontario public would choose a number of public services to which they have become accustomed and have them delivered at the provincial or municipal level as efficiency would dictate. If given a choice, Ontarians would also opt for a program requiring greater equalizing of sacrifices so that the poor, the disadvantaged and the unemployed would not bear the brunt of the financial burden being presently shouldered. It would be a slower process, building on existing strengths and institutions, but the end result would be a better one.

Mr Clifford: Thank you for listening to our presentation. If you have questions, please address them to those people making the particular part of the presentation, although others of us, including Susan, on my right, will be only too willing to help answer the questions.

The Chair: We've got less than two minutes per caucus and questions will have to be quick. Mr Cooke leads off.

Mr Cooke: I'm going to try to stay away from the specifics in your brief, because with two minutes we can hardly get into them. I do appreciate the overall approach that you've taken in your presentation. I look specifically at some of the areas in education that you've referred to and the possibility of charter schools. I can only think that would be one of the outcomes if in fact there were no such things as school boards and it was moved for administrative purposes to the municipal side, that charter schools would possibly be one of the outcomes. The $400 million that's being taken out is of course going to hit the classrooms, which we were told wouldn't happen.

I guess the question that I want to ask you is, what I see in this legislation and in the economic statement that was made by Mr Eves, both of them, is that we are changing the very nature of Ontario, the very face of Ontario. Maybe that's something that the people of the province want. I don't believe it's the discussion that we had in the election. And this bill does that. It would be law today, it would have been law a few weeks ago, if there hadn't been some extraordinary action in the Legislature.

What kind of format, what kind of process, how do we involve people to actually have that discussion about the very future of our province and the kind of province we want? I don't believe the people want the direction this government's going, but maybe I'm wrong. How do we engage people in that discussion?

Mr Clifford: I would think that the consultancy process which has been begun with this committee could be better continued with individual ministries looking at budgets, talking with their own employees, talking with the public, and cutting the cloth to fit what it presently has to do. In other words, you do it by ministry rather than simply imposing on the local level of government a set of cutbacks and so on that they have to somehow deal with.

What we're seeing as the end result of this process, if this is as far as it goes, is simply a transfer of taxing powers and user fees etc to the local level and no real saving for the individual person.

The Chair: Mr Young.

Mr Young: Thank you very much. Is it Marion who was talking about education? I work at the Ministry of Education. I'm parliamentary assistant to the Minister of Education and Training, and every concern you expressed about education, I share. Your presentation was very, very thoughtful and I appreciate it.

But what we're trying to address with the restructuring is that we have 168 school boards. In one school board there are more trustees than schools. We have to address the administrative waste. We spend $530 million a year on preparation time and, a trustee told us yesterday, over $300 million on retirement gratuities. That's what we're trying to address.

But one of your comments, that schedule Q refers to potential deployment of non-teachers in teaching roles, I can't find in there. Could you please tell me where you came up with that?

Ms Cummings: Let me just find the page again. In looking at the five criteria, you talk about "the employer's need for qualified employees." You talk about a comparison between the employees and other comparable employees.

I can give you a for-instance situation in the Waterloo board of education. English as a second language is delivered by qualified teachers who are paid as qualified teachers. In the county of Wellington, English as a second language is delivered by educational assistants who are paid as educational assistants.

I believe that if we are looking at comparable employees in other areas, that opens the door for us to say that subjects such as guidance might be taught by a social worker and therefore paid at a lower level. Employees such as design and technology teachers might be replaced with non-professional teachers. It seems to me that those clauses leave room for that.

Mr Young: Wouldn't the college of teachers address that, though?

The Chair: Mr Young, I apologize for interrupting, but two minutes is a short period and we have to go to the opposition.

Mr John Gerretsen (Kingston and The Islands): There are just a couple of comments that I want to make, and one relates to the Municipal Affairs area. I'm the Municipal Affairs critic for the Liberal Party and I'm also a former mayor of the city of Kingston for some time in the 1980s.

Let there be no mistake as to where this comes from. The government is handing over fewer dollars to the municipalities, and the municipalities for years and years

and years, for the last 20 years, have been asking for more power. There's no question about it. The interesting thing, of course, that's happening is that they've put all the powers in here and now the minister himself is saying, "Well, I really didn't mean that" or "Maybe I'm going to make some changes" or "The way the municipalities are interpreting it is wrong" etc. They're not even coming clean on it, in other words. The powers are there for municipalities to do almost anything.

The big mistake that was made, quite frankly, is the fact that, yes, the municipalities got what they wanted, but nobody talked to the general public as to what they wanted. The ministry—and I'm sure his thought was well intentioned in this: Just do what the municipalities have been asking for for years, and just basically thought, "Well, now everybody's happy." He's grossly mistaken because he forgot the general public in the whole thing.

There's just one other comment I'd like to make and maybe get your comment on as well, and that's with public consultation. This is not public consultation. This is a matter in which you're allowed to make a presentation and we can question for two minutes. Yes, we agreed with it because there was nothing else. It was either this or nothing. True public consultation is to take each section of the bill and to have discussions about it, a flow of information back and forth. I wonder if you wouldn't agree with that, that that's the real method in which you consult, not to bring a bill with 44 different parts into it.

Ms Susan Neath: I would like to comment on that. Nothing that this government has done has been a consultation process. To say that this bill is going to go through on the mark on January 29 leads us to believe that no matter what we submit to this government will not be considered. What they have written is cast in stone and they are very closed-minded. Our own local MPP does not even do a dialogue with the community at large except for the inner core. That's exactly what this government's like. It's not for the people of Ontario.

Mr Young: That's why we're here.

The Chair: Thank you, ladies and gentlemen, for coming forward today and making a presentation to the committee.

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ONTARIO SOCIAL DEVELOPMENT COUNCIL

The Chair: If I could have the Ontario Social Development Council please come forward. Good morning, gentlemen, and welcome to the standing committee on general government. You have half an hour to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions from the three caucuses. I'd appreciate if you'd introduce yourselves at the beginning of your presentation for the benefit of Hansard and committee members.

If we would could keep the private conversations down or outside, I'd appreciate it, in deference to the presenters.

Rev David Pfrimmer: Thank you, Mr Chairman. My name is David Pfrimmer. I am the president of the Ontario Social Development Council. I want to say on behalf of the council that we are pleased that we were able to be before you here in Kitchener here today and to make this presentation. We're also very mindful of the fact that there are many, many groups and many, many people across the province who don't have this privilege and this opportunity to speak to you. That's a source of some serious concern to us, particularly given the nature of this legislation.

In that regard, the council has invited some people to be with us. It's my pleasure to be able to introduce to you on my left Peter Clutterbuck, who's the executive director of the Social Planning Council of Metropolitan Toronto and also with the Social Planning Network of Ontario, which is an organization that the Ontario Social Development Council has helped pull together; on my immediate right, Ernie Ginsler, who's the executive director of the Social Planning Council of Kitchener-Waterloo in this community; and on my far right, Malcolm Shookner, who's the executive director of the Ontario Social Development Council.

In terms of our presentation, we've tabled before you a written submission. We're not going to go over it verbatim, but I would like to just say at the beginning that the Ontario Social Development Council has been around since 1908 and it's a province-wide organization. Part of our role as a charitable group has been to try to promote policies and programs that are focused on people-centred sustainable development and that contribute to individual and community wellbeing.

We have highlighted there the major key issues of the bill, and without further delay I'm therefore going to ask Peter Clutterbuck to comment on a few items of our concern.

Mr Peter Clutterbuck: Honourable members, I'm pleased to be here talking on behalf of the Social Planning Network of Ontario, as opposed to just the Social Planning Council of Metropolitan Toronto, which I'm the executive director for. I'm the chair of the SPNO group, over 30 organizations across the province that are community-based, independent, in the voluntary sector, working closely with their municipalities around the social concerns of their communities, and one of the reasons most of our comments today have to do with schedule M and the changes to municipalities.

One very key principle of social planning is citizen involvement. Some comments came up in the earlier deputations with respect to, what kind of public consultation and citizen involvement do we want? Clearly, a healthy civic culture depends on ways in which citizens can become actively involved. Democracy does not begin and end with elections. Clearly, we agree with those who have commented that the scope and range and effect of the provisions in Bill 26 are such that they needed to be dealt with in a lot more depth. We appreciate that there has been a modification from the original plans, but even at that there needs to be an awful lot more public consultation on legislation of such potential impact on the province.

I'm going to make a few comments with respect to several areas. The first has to do with the relationship between the municipalities and the voluntary sector in

schedule M. A lot of our municipalities provide support to the voluntary sector through social planning councils and other forms of cash or direct grants or in-kind resources to the work of the voluntary sector. It is our contention that the savings and restructuring bill and some of the reasons for it actually undermine the voluntary sector and affect the ways in which the public sector through municipalities and even the province can work with the voluntary sector.

As responsible and caring individuals in this province, we share what we have by volunteering our time and donating our money to the non-profit community sector. As a society, I think we've agreed that there should be some level of public investment in our voluntary sector as well. This is one of the ways we've established a vital partnership between the voluntary sector and the public sector. That is clearly threatened, as many organizations are no longer able to cope as government withdraws from that partnership and essentially starts to undo a level of civic engagement which I think we'll regret in the long run.

In Metro Toronto alone, over 65,000 volunteers annually, through a large network of non-profit agencies, participate and contribute eight million hours of community service work. Many of them now are threatened and going out of business and underfunded, and because government is pulling out, this very base of support in the voluntary sector is at risk.

Research actually shows that this is a vital partnership. Those countries which have higher levels of public investment in social infrastructure are also those countries which have a higher level of civic engagement and citizen participation. So voluntary contributions will not increase or substitute for government if it pulls out. It is a partnership; it's not just a one-sided type of thing.

Secondly, in terms of some of the powers that will be granted to ministerial authority in Bill 26, we've identified—by the way, our formal presentation that will be presented to you later will be properly edited and some typos will be corrected, because we picked this up late last night and we couldn't do a final review of it—one of the things we are really concerned about, for example, again with respect to public involvement, is the elimination of opportunities for the public even to help the politicians at the municipal level make important decisions through practices like referenda. Changes in service delivery of such scope and effect merit the kind of open public debate which referenda allow, and we should not be reducing access to decision-making in this way.

In fact, now it's more important than ever to reinforce citizen commitment and participation in our democratic process. It is the only way we're going to overcome the tremendous amount of public cynicism which threatens to undermine our public institutions. So provisions like referenda around such important changes are important to keep in schedule M and all the acts that apply to municipalities.

Finally, a quick comment on user fees, which you've heard a lot about, and the opportunity for municipalities to impose charges and user fees. We agree with those who feel this is not the direction to go, that moving from a tax base to a price base, essentially marketizing municipal and public services in general, is not a good direction to go. We will be paying the same amount of money or more in the long run and losing that notion of collective responsibility and sharing around essential services that we all wish.

Just as an example, particularly at Metro Toronto we work with people who are on low incomes, moms on social assistance, for example, with kids, who have already lost 21% of their income since October of this past year and are now perhaps being faced—already within a welfare income, their capacity to buy reading materials for their children or to engage in certain social recreational opportunities in their community are already limited with the resources they have at their disposal.

With the threat of imposing user fees for the use of libraries or parks and recreational facilities, clearly these moms and their children are disadvantaged and they may have to go through some kind of means or needs test to distinguish themselves as being different and stigmatize themselves by asking for special consideration from the municipalities, as some mayors have indicated they are prepared to do. Why should we differentiate among our population in this way?

Finally, it's quite interesting that the user fee section gives a wide range of powers to municipalities to differentiate between different classes of people, but at the same time removes the right of appeal on grounds of any of these charges being unfair or unjust. I might just ask, if the municipalities out there found a clever way in which to charge a user fee or a special charge to local members of provincial Parliament, whether you might not feel you should have some right of appeal, that you shouldn't be distinguished with such particular attention and not have grounds for appealing that something was unfair or unjust.

Mr Cooke: Don't give them any ideas.

Mr Clutterbuck: Basically those are the current concerns I just want to highlight from our short brief here, and we'll get a chance perhaps to have some discussion with you about these points and others that are included in the brief.

Mr Pfrimmer: I'll ask Ernie Ginsler from the Kitchener-Waterloo Social Planning Council to highlight a few of their concerns.

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Mr Ernie Ginsler: Welcome to Waterloo region. Waterloo region and the governments in Waterloo region, the regional municipality and the local governments, have a rich and long-standing tradition of consultative and participatory government. Waterloo region has been noted in Ontario as one of the most productive, one of the most economically active, one of the most successful regions in all of Ontario and probably in all of Canada.

We have an excellent educational system, we have an excellent human service infrastructure and we have governments that serve people because they understand what the people want. It's a tradition in this community and it's well understood in this community that no individual and no particular party has a stranglehold on the truth.

The way that governments have been able to build a strong and viable community in Waterloo region is by

extensively, continually and with commitment consulting all the stakeholders in our community, whether they be political, community, business or whatever, taking the best ideas from anybody who wishes to offer them and putting together policies and programs which, by combining those best ideas, serve the community best. That's why Waterloo region works.

Through the Waterloo Region District Health Council, through the Waterloo Region Social Resources Council, recently closed because of provincial defunding, and through two community-based social planning councils, our own in Kitchener-Waterloo and another in Cambridge-North Dumfries, this community has built an extremely strong infrastructure of human service organizations.

One of the things that the economic development departments and the municipalities know in Waterloo region is that what makes our region strong is not that it has the lowest property taxes in Ontario but that it has among the best human services in Ontario. When businesses want to locate somewhere, although property taxes and income taxes may be one factor, the majority of the factors, and all the research indicates this, have to do with quality of life. Businesses want to know that their employees will be safe, that they'll have access to public transportation, that they'll have well-qualified and trained employees, that they'll have access to quality health care and that they'll be able to get the services they need for their families. Otherwise, they'll go somewhere else.

The purpose of Bill 26 is to centralize decision-making, to take decision-making away from the community, in fact to take decision-making away from the Legislature, and to put it into a few people who feel they know best what Ontario needs. This is anti-democratic, it's anti-government, it's certainly anti-participation.

People must not only be governed fairly, they must see that they are being governed fairly. Bill 26 takes away from the community the ability to see the process of government and it takes away from the community the ability to know that distinct and different interest groups have been able to participate in a process which has led to legislation, policies, programs, practices, procedures which will impact on them. Clearly this means less accountability to the public, less accountability to taxpayers, which is to say less accountability to all of us.

Centralization of decision-making in the hands of a few people is the kind of government that democracies work to change. Centralization of policymaking, decision-making and powers over people is not one of the policies that is enunciated in the Common Sense Revolution, it is not one of the campaign platforms that the Conservative government ran on, and, I can tell you from every contact I've had in 16 years of working in Waterloo region, it is not what the citizens of Waterloo region believe in.

Mr Pfrimmer: Now I ask Malcolm Shookner to make a few comments.

Mr Malcolm Shookner: As we all face the prospect of cutbacks and downsizing and fewer resources to work with, we've got to keep in mind that communities rely on the voluntary sector to be able to meet their basic needs and improve their quality of life, working in partnership with others. The impact of this bill and of the agenda we are dealing with now, the effect of it will be to weaken the voluntary sector even further, which is going to have serious implications for our long-term quality of life.

We recognize that the deficit is a problem, one of many we are faced with in Ontario, but this kind of scorched-earth approach to deficit cutting is not going to solve our problems, it's going to dig us deeper into a hole. It leaves out important dimensions of community life that are so important to people. We think that the provisions in the bill which allow for the moving of the power to tax to the local level through user fees and other forms of tax are going to create growing inequities in the province as some communities are able to raise taxes while others will not be able to, and even within those communities, as you've heard, there'll be growing differentiation between those who can afford and not afford public services.

We think that the more progressive form of taxation, which is the income tax, is a better way to raise adequate tax revenues, because after what we've heard from many politicians, "The taxpayer is the taxpayer is the taxpayer." Whether we're paying in user fee to use the public library, whether we're paying higher property taxes, whether we're paying higher or lower income taxes provincially and federally, it's all coming out of our pockets.

We think there's got to be a different way of using bills like this one to be able to achieve the kind of fiscal health that we believe is in everyone's interest. I think the only big question is the lack of accountability in responsive government that you've heard about and the problem of trying to reduce the role of government in making decisions about public services.

It has been noted recently by Statistics Canada that the Ontario government for years has been actually spending less per capita than most of the provinces in the country and that this idea of fiscal constraint is not new to any of us. It has been going on for quite some, and successive governments of every political stripe have wrestled to bring program spending into control. That's certainly evident in the kind of information recently put out by StatsCan. In fact, the tremendous growth has been in interest payments, and that's a subject that has not been addressed.

The other concern we have is that Bill 26 is realigning the powers between the municipal governments and the provincial government and centralizing power in a non-accountable way in the ministers while offloading the responsibilities in the municipalities. In the end, it's going to be people complaining at the local level about the withdrawal of services and higher taxes, which leaves the provincial government off the hook.

Finally, the point about the implications of the bill to discourage public participation, we believe, is going to undermine the kind of democratic practices and tradition that we have in Ontario.

Mr Pfrimmer: Just in brief conclusion, and I think you've heard some of the concerns we have particularly, overall our interpretation of this bill is that it will have a devastating and deconstructing effect on communities across the province, that it will further enable all levels of government in some ways to abdicate responsibility to

other levels of government. saying, "It's somebody else's job, not mine," which will result in the harshest part of the burden being placed on the people least able to speak for themselves, poor people, those who are not politically consulted in the whole process.

I think we're also concerned that this probably reflects an overall direction that many people in Ontario do not want to go in. The concerns they have as individuals, their concerns for their family, their commitment to their community and their civic responsibilities are enabled by government, not removed from them.

In many respects, we are deeply troubled by this piece of legislation. I think it probably should be divided, and it's worthy of more serious reflection, particularly because of its tremendously important and adverse impacts on vulnerable people. With that, I think we're available for questions.

The Chair: Thank you, gentlemen. We have three minutes for questions per caucus, starting with Mr Hardeman.

Mr Ernie Hardeman (Oxford): Thank you, gentlemen, for the presentation. I commend the region of Waterloo for its progress over the years. I would just suggest that the problem with part of Ontario or part of local government is the inability to restructure their municipalities and their administration under the present legislation to accommodate or to do what the region of Waterloo has been able to do since its formation. Being from the neighbouring municipality in Oxford, we too were able to do that through a long-drawn-out process to restructure the way we govern to reduce the number of municipalities to provide better government for less money.

The sections in the bill to allow that for other municipalities in the province—your presentation seems to be that it is too much top-down, that the minister has too much power to make that happen as opposed to hearing the voice of the people. Would it help if the legislation included the obligation on the commission to have public consultations so that what the minister implemented by regulation would be what the people of the area involved wanted?

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Mr Ginsler: I think if we talk about consultation, we have to talk about meaningful consultation, and consultation is only meaningful if the people who are consulted have real impact on the decision. Something like, if consultation is what is currently in the Planning Act as "have regard for," which means I'll listen to what you say but I'm going to go off and do what I intended to do anyway because I obeyed the letter of the law and I had regard for, that's not going to help anybody.

Referenda, which involve people in choices and in determining their future, which then inform the process and in fact direct the process, are the best way of getting that kind of—

Mr Hardeman: If I could interrupt, on restructuring municipal government, in fairness, the efficient operation of Waterloo region was not created by a referendum. It was consultation with the public and implemented by provincial legislation. I just point out that hearing the public is an important facet of it, but is there not a need to have a way of implementing something without going through the 10-year or 12-year process of Queen's Park as opposed to letting the local people make the decision?

Mr Ginsler: I would suggest that Waterloo region works not because of the process which created the region and the municipalities, but because the government that resulted from that process consult regularly and pay attention to their constituents. It wasn't the saving of a few politicians that makes Waterloo region work; it's the fact that government listens.

Mr Dominic Agostino (Hamilton East): I want to thank the presenters. I think it was an excellent presentation outlining some of the major concerns that we have. I want to talk a bit about the impact of the user fees as had been discussed, and particularly the impact on vulnerable people, not only people who receive government assistance, who need help from the government of this province, but the working poor as well.

I think what this bill is doing is continuing a pattern that I think has seen a total dismantling of progressive social policy in this province that has come about over the last 40 years. We've seen just an absolute massive attack on the needy and the disabled, welfare recipients, single moms across this province. It's just been unprecedented the way that group has been marginalized, targeted and brutalized by this government.

Now I think this part of the legislation, as you talked about, is going to give not only the government and the minister the blind power to secretly increase the user fees on the disabled, on senior citizens for the drug payment, the copayment as they call it, which is a user fee, which is a back-door taxation. There's no other way of calling a user fee anything else but that. It is taxation, it is taxation through the back door. It is taxation that sounds more pleasant. You don't see it on your tax bill, but you will see it in every service used in the municipality. We have seen municipalities that are already chomping at the bit. They just can't wait to get this new-found power that this government is going to give them to be able to impose a user fee. Everything that moves, breathes or makes dust is going to be user-feed across this province.

The impact is going to be on the most vulnerable kids. This is a concern when in the summer parents who have the dollars and have the ability can take their kids to the cottage, can take their kids to the lake. Parents who are relying on assistance, who have disabled kids, who often cannot afford that, rely on the local swimming pool or the local recreation centre for those services, and those are the people who are going to be the most impacted by this legislation.

From what you have said, I get disturbed because I think that this is going to be devastating to many, many people across this province. What impact, from the work you've done—I know the Ontario Social Development Council also tends to do a lot of work as sort of parents and friends as social legislation will impact in the future. What do you see as a sort of impact on those kids, and particularly the kids of the people who are low income and needy in this province, as a result of this massive ability the municipalities will have now to put in user fees for every local service that exists?

Mr Pfrimmer: I'll just make a brief comment now and ask Peter to comment.

I think one of the things that deeply troubles everyone who's in the area of social development, Canada has signed and pledged itself in an international forum to observe certain basic rights and respect certain covenants we've signed under the UN that respect people's rights and assure people that we will fulfil our social obligations to vulnerable people; not only respect human rights, but fulfil our social obligations to people within our community, our national community.

What I think we see happening by many levels of government at this point is elected officials walking away from those responsibilities, abdicating those responsibilities. What's really important to remember is that in Canada the provincial level of government has responsibility for fulfilling our social obligations, and I think in some respects what we see today is a real abandonment by government of that obligation to act on behalf of all people. These user fees, I think, are another reflection of walking away from those kinds of responsibilities. They may be subtle, they may have appeal, they may wash politically in the public arena, but I think we're also eroding confidence in the tax system which is in fact the way in which we fulfil our obligations to each other, as well as acts of charity and philanthropy and those types of things.

Mr Cooke: With the short time that we have—what do we have, a minute and 30 seconds or something?

The Chair: Three minutes.

Mr Cooke: I just wanted to make a comment on a couple of parts of your presentation and then ask for a comment on something else.

I do find part of your presentation particularly important because we haven't had a focus on one of the thrusts of this bill, being to remove the ability for public participation, whether it be on local boards, committees, perhaps school boards. I like the way you've outlined some of your concerns about moving away from opportunities for public participation through referenda. One presentation—I can't remember who it was—said they thought it was rather strange that the government was demanding that there be referenda for casinos but eliminating the opportunities for a referendum for who owns our public utilities at the local level. That shows how out of whack this legislation is in fact. So I think this is a different perspective that you take and that is important for us to hear.

One other point that Mr Hardeman mentioned was that the creation of Kitchener-Waterloo wasn't by referendum; it was by legislation. I think that's an important comment. It wasn't by referendum; it was by legislation. Under this bill, it can be by regulation that new regional governments can be set up. So I think that really shows the extreme of this legislation.

To follow a bit on Dominic's comments, one of the comments the government has made is that with the user fees, to avoid inequities, what can happen is that you can just go out and raise money from the corporate sector. Many of you are involved—or all are involved—in the voluntary sector. I'd like to get your comment about how feasible it is to go out to the private sector to raise funds for yet another area that government is pulling back from.

Mr Clutterbuck: I believe the Canadian Centre for Philanthropy has made it quite clear in its own public statements since the fall that there is no way in which, just in terms of practically meeting the need and substituting for what government either did with the community or did in partnership with what the voluntary sector was able to provide—the prospects of substituting through corporate contributions or even individual contributions for that matter, it can't be met. I haven't got the figures that they show about the gap, but they do have some actual research and estimates on this.

Secondly, I think we have to be honest with going to the corporate sector. Corporations have a certain purpose. Their purpose is to do business, sell goods and services, and frequently their particular interest, when they wish to develop good public and community relations policies, is to work in some ways with the communities, but they are usually looking for some other benefit beyond a direct contribution. Not that that shouldn't be encouraged, but we shouldn't become dependent on another self-interested sector. We should be looking to our public system that elects our political leaders and that establishes a base of support through collecting taxes from all of us as being the primary way, the core way, the base way in which to support community activity, and then look to opportunities with the corporate sector or individual donations to supplement, to enrich and to provide perhaps other ways in which the voluntary sector can work. We shouldn't shift it all to the private market.

The Chair: Thank you very much, gentlemen, for coming forward today and making your presentation.

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WATERLOO REGION TAX WATCH

The Chair: May I please have the representatives from the Waterloo Region Tax Watch come forward. Good morning, gentlemen, and welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and response. I'd appreciate it if you'd introduce yourselves at the beginning of your presentation for the benefit of Hansard and committee members.

Mr David Kresky: My name is David Kresky and I'm the chairman of Waterloo Region Tax Watch. On my right hand is Boris Sniatenchuk, past chairman, and on the other side is Ian Munro, who is one of our directors.

I'll just introduce you to what Waterloo Region Tax Watch is. We're a small, local organization of taxpayers. Since 1988 we've been gathered together to monitor local government spending and responsibilities, to make sure that local government is accountable and responsible to the people who support it: the taxpayers. We have about 1,000 members in our group and we have many supporters outside of our group.

As far as the local government's response to our activities in the last seven years is concerned, we are accused of being tax watchdogs and being ultra-

conservatives and various other descriptions, so I would like to suggest that for many years we've been placed in the position that the new government is accused of being in today. However, our aims are rather simple: We demand that government be responsible and accountable to the people who elect it and the people who pay for it.

In that line, we support what the current government is doing in its intent. We support the need to reduce spending, the need to eliminate the deficit and the debt, the need to bring back to reality the fact that there is no more money available to be spent frivolously and that priorities must be set so that the province of Ontario and its people will be able to prosper in the coming years.

However, having said that, I have to say that Tax Watch has some concerns about this particular bill. One of our concerns is the process by which this omnibus bill is being put through the government. I read the synopsis of the bill and I was rather concerned about the way that synopsis is written. It seems to be apologetic to the NDP, saying, "Well, they had omnibus bills; therefore, it's okay for us to have it too." I would like members of the government to remember that we got rid of the NDP.

Mr Cooke: Not all of us.

Mr Kresky: As the government of Ontario.

Mr Phillips: They're not extinct. They're endangered, but they're not extinct.

Mr Kresky: So please don't think that simply because others have done it, this should be an excuse and a crutch to pursue policies and the means to an end. We feel the means are very important, as well as the end. We think it's very important that there should be discussion in the Legislature, within the government and between the other parties. We would hope that politicians have reached a level of maturity today where we realize that we are in this together, that we have to find solutions together and that, I'm going to say, the idiotic political behaviour of the past has to come to an end. We're not here to bicker; we're here to find solutions to the problem we have, which is, we have no money to spend. We may want to spend it, but we have none. That's why we're concerned about the way this bill is being pushed through the government. We would prefer to see legitimate and ongoing discussion, even though time is short.

We're also concerned about the concentration of large amounts of power at the cabinet level. By voting for the Common Sense Revolution, we voted a government in; we didn't vote in a cabinet. We feel it important that the whole of the government should be involved in discussing the policies of the government. I feel badly, and I know my members feel badly, if we think that the MPPs we have elected are somehow hog-tied and don't have a voice for us, because we feel that's our voice in the government, since we do not have direct access to the cabinet.

We're also concerned with the elimination of some of the tools that we feel are very important: the use of referendum and the freedom of information act. These are two tools which we believe would give the taxpayers the ability to monitor the powers that you are giving the municipalities in order to make themselves more efficient. It's fine to pass on to local governments certain powers, but we need tools as well to help the municipalities to achieve their goals.

The freedom of information act is a very important tool for us. In this region in the past you may be aware that the separate school board was pursued by a certain individual under the freedom of information act, and as a result of her very strong and almost single activities, their director was forced to resign and has since been charged with criminal charges due to activities he was doing with finances of that school board. Now, that man would have been the person who had the power to say, "I believe these are frivolous pursuits under the freedom of information act and I won't allow them." That would never have happened. We're really worried about that.

The use of referenda: This hasn't been widely available in the province and it's now going to be eliminated. We believe that if anything the use referenda should be strengthened. We believe that taxpayers need to be consulted for such items as major expenditures within their municipality or major changes in the way that municipality is going to levy taxes or user fees.

For instance, in the city of Kitchener down the street, we have a brand-new $65-million city hall. Many, many people in this community were not in favour of spending that money on that building. We had no voice; we were refused a voice. If we had been allowed to have a referendum, that would have been voted down. It was felt there were far cheaper and equally usable alternatives to that building. Now we're stuck with it.

Similarly, in this community we have an arts centre up the road which costs us more than 2% in our taxes each year as a subsidy to that building. That building and its activities provide no service to the people of the city of Kitchener. However, we have been continuously told by our councillors that they would rather raise user fees in other areas, they would rather reduce our real services like snowplowing and such, in order to subsidize that particular facility. If we had the use of referenda, we could tell them, "There's no money, and we want things like that, which provide no real service, to be considered for cuts." If you simply give the municipalities the power to use funds the way they desire, they can do what I have just described to you and we have no recourse.

It's easy to say we can vote them out come election time. As you all know, a person can get elected with as little as 20% of the vote if there are enough people running for the position, which means that 80% of the city would have voted against that person but that person holds the power. Although I like to be optimistic, I am afraid that in our experiences over the past seven years in battling government to try to convince them that their spending is often irresponsible and needs to be looked at very closely, we have found local politicians to be unresponsive, even at times abusive.

We feel, as taxpayers and a taxpayer group that shares the interest of people and of this government to reduce frivolous spending and keep things in line, that we need to be given tools to help monitor government rather than have those tools taken from us. Waterloo Region Tax Watch has for years been pursuing the same intent as the government we have now, because we believe that in the end, by saving money we will benefit all the people in

the province of Ontario: the poor, the rich—everyone. If there's no money, we all suffer. We feel we need the tools to do this as taxpayers. We need to be able to "help" our local politicians understand, or come to understand, that we want them to listen to us too when it comes to telling them how to spend our money.

After all, the city is not just a little business that needs the help of the province to make better decisions. The city is us. We are the people who support the city through our taxes. We are the people who are the city. It does not exist outside of us. However, we have no tools, other than an election every three years, by which to ensure that local politicians hear what we have to say. We are saying to the province now, rather than take away the few tools that are available to us, we would like to see them incorporated—with the kind of powers you'll give to government to help itself, we need powers for us to help government as well.

Those are our concerns. Thank you for being able to address this group.

The Chair: Thank you. We have about six minutes left per caucus for questioning, starting with the opposition.

Mr Phillips: I appreciate your thoughtful presentation. The bill, as you may or may not know, has been named in the media as the "bully bill," and the more we deal with it, the more I realize that it's not a bad name for it in that the bully bill seems to have no friends. I look down the list every day of groups presenting, and I find that virtually every group, even those that say, "Overall we support it," have major reservations about it. That's what happens to bullies in the end: They have no friends.

You've raised for us a very interesting point and underlined it, and that is that perhaps the government feels that once an election takes place, it has the right to do whatever it wants until the next election. They often say to us: "There was consultation. That was on June 8, and it's all over now until the next election."

The provisions you point out in here about the powers to the municipalities I think are similar to that. On this fee thing it says, "Despite any act, a municipality...may pass bylaws imposing fees or charges." So it's just a bylaw now, despite any act. If a municipality or a local board has imposed fees or charges under this act, there's no appeal to the OMB on the grounds that the fees or charges are unjust or unfair. They've taken that appeal out. They've also amended, as you point out, I think, so that now all that's required is to pass a bylaw. It says, "Despite subsection (1), a council may pass a bylaw to eliminate the requirement to obtain the assent of the electors before passing a bylaw under this section." In other words, they can avoid a referendum.

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The act goes on later, on the licensing provisions, to say, "If there is a conflict...in this part and a provision of any other section of this act or any other act, the section that is less restrictive of a local municipality's power prevails." This truly does give, it is the intent of the bill to give, local councils sweeping powers to impose fees or licences. That's what they're trying to do, and to take away from organizations like yours the right of either a referendum or an appeal to the OMB or even using some other acts to stop it.

My question to your organization is, have you any suggestions or recommendations for us on how we can deal with your concerns in the bill that might ensure the municipalities are able to do what they want to do, but make sure that organizations like yours retain some opportunity for some input?

Mr Ian Munro: On this point, one of the things that has come up quite often is user fees. We feel that the user fee is a form of tax. However, we support the idea of user fees for many of the things governments do but feel the introduction of user fees in a municipal arena must be revenue-neutral.

With regard to that, we sent a proposal to Premier Harris recommending that municipalities that increase taxes or user fees to fill in those things the Ontario government was coming off have their grants further reduced by 105% of the increased revenue. There is no point in one area of government reducing spending if another area brings it up. Therefore, the idea of municipalities raising revenues by taxes or user fees or some other means to defeat what the government is trying to do in cutting spending is wrong.

Mr Phillips: You probably lost that one in that the government has stated it is the intent of this bill to give municipalities the opportunity to compensate for their cutbacks in transfer payments. They said that's the intent of this.

Mr Munro: This is the area in which we disagree with the bill.

Mr Phillips: I appreciate that; I'm just saying to you that I know you've suggested that, but the government has said, "No, no, our intent is the opposite of what you want; that is, to allow municipalities" what they call "unlimited flexibility in imposing fees," and we've heard three or four mayors now saying, "Hurry up with the bill, because every day you delay is a day we can't impose these new fees."

We were in London yesterday and we, in the Liberal Party and the NDP, have been trying to get more time for hearings on this. The deputy mayor of London said, "No, we've got to get this passed so we can begin to impose the new fees," and the minister himself has said they need that to compensate for the cutbacks in transfer payments from the province. So I'm just saying to you I think the government has said, "Sorry, but we're not going to listen to your group on this matter."

Mr Munro: Maybe we need your help there.

Mr Cooke: I suspect that you'll have more impact than we will, so continue to speak out. I suspect that your organization and my political party would philosophically disagree in a lot of areas. I appreciate your presentation and the approach that you've taken in your brief. I guess one of the things I was thinking of when you were reading your brief, or presenting your information, was that people have to remember that when the Conservatives got about 45% of the vote across the province, we had about a 60% turnout, so that means that they got about 27% of the eligible voters who voted for them in the last election.

You've got to put all this in perspective about the huge mandate that the government has received to push through things that are going to change the very face of

this province. That reinforces the need for consultation and for participation as we move forward on legislation and policy change. I could give you the numbers. We're going to end up hearing about one out of five individuals or groups that have applied to be heard by this committee. It's a very, very small percentage.

If in fact we go through this whole process and we see that provincial taxes are lowered, although they're going to bring in the health tax on individuals—so we have a lowering of income tax, an increase of this new health tax and then we have a whole host of new user fees at the municipal level so that in the end we see that user fees and municipal taxes are increased to take up that tax room and spending—would you believe that would be going back on the promise that Mr Harris made in the election when he said if there were going to be any new taxes it would have to be referenda, and if there were any new taxes and new spending, that he would resign?

Mr Kresky: Well, I'm not certain about promises but I agree with the things you've just said. Again, I have to just remind this government of Ontario that probably most of the members of our group helped to get your government elected. Certain members sitting at this table know we helped get them elected.

Mr Gerretsen: No, surely you didn't. I can't believe that.

Mr Kresky: We want them to remember that. We want also to remind you of two things here. Yes, the need for consultation is very important, especially when you have a majority, because you have the power to do what you desire. Therefore, consultation shouldn't be a threat to any activities. Also, as we all know, and as Mike Harris knows very closely, it was the swing vote in this election that helped the PCs get into power, because those people believed in what the Common Sense Revolution represented. I feel that the ground is slipping under the Common Sense Revolution, which was supposed to have been a strategy developed through public consultation.

I'm not threatening, but I have to warn you that the swing vote has swung, in the last two elections, a different way. I suggest to you people that we support the intent of the government, we share the interests of the government; that's why we elected you. We know of the need to reduce the threat to our economy, to our lifestyle, to the province of Ontario. However, we want to be part of this decision-making process. I don't want to have to vote Mike Harris out in the next election simply because I feel that he and his party abused the needs of—

Mr Cooke: We were on the same wavelength on my question time until you got to that.

Mr Kresky: Unfortunately, Mr Cooke, that's why you guys went out too. But I think this is the crux here.

Interjection: Give us a chance.

Mr Kresky: Well, earn your chance. The crux here is that the electorate of Ontario has become so frustrated with the need for commonsense government, for responsible and accountable—especially accountable—government that we will vote out—not vote in, we will vote out—those groups which do not give us the ability to help people not spend our money frivolously. I think this a very important thing that all the parties must remember.

The representative from the Ontario Taxpayers Federation—I read his brief—said the economy reflects things: People aren't spending their money and this shows you that if people don't want to spend their money, then businesses will suffer.

As taxpayers, we don't have that choice. I have to pay my taxes or I am taken along the legal road—

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Mr Cooke: I'd like you to use a little bit of their time to lecture them. I just have two other comments to make, because I think they were interesting parts of your brief.

On the freedom of information act changes, I think you are dead on. Access to information is power and if we restrict the general public's access to information, then we're empowering bureaucracies and we're disempowering the public in a very dramatic way. I think your comments are right on and I really like the one line that you used, that people elect MPPs, they don't elect cabinets, and that's why legislation is important as opposed to empowering cabinet at the expense of the Legislature. I appreciate your presentation today, and if I have any time left, go on lecturing those folks across the way.

The Chair: Thank you, Mr Cooke. For the government, Mr Martiniuk.

Mr Gerry Martiniuk (Cambridge): It would seem that you're one of the few organizations speaking today that agree with the NDP who were to balance their budget within three years of election, the Liberals who were to balance their budget within four years of an election, with a $2-billion tax decrease, I should add, and of course, we intend to balance our budget.

One of the problems in balancing a budget with our government is simply that a vast majority of the moneys we expend are in fact transfer payments either to individuals or to boards, municipalities and organizations. My problem seems to be that if we're going to proceed with the balancing of a budget, which is what everyone agrees to, other than a few organizations that attended this morning, we're going to have to give greater flexibility to our stakeholders and the people we work with, our partners as a government.

I have heard this morning, and this is where you seem to disagree with the various social justice groups, that our municipal governments are not worthy of the confidence that I believe our government is placing in them. You have said, I think this morning, that in your opinion local governments cannot do the things we want them to do. We've heard that from many groups this morning.

I put it to you that first we must give flexibility to our partners, and secondly, what can we do to repair the faith that I happen to have in our local representatives? But individuals and organizations like yours have voiced that they do not have any faith in our local governments. What can we do to repair that faith that you seem to lack? I'm dealing specifically with Waterloo region because I know most of the local representatives in this region as individuals and as politicians and I feel they do an excellent job.

Mr Kresky: Mr Martiniuk, I agree. It's not that we have no faith in local government; it is that you want to give your partners the ability to deal with things with greater flexibility. All we ask of you—and you're taking

it away—is that we as your partners and as the partners of the municipalities and local government—after all, we are the people—want you to give us the tools and the flexibility to work with the municipalities to ensure that they do not pursue other misguided lines.

We don't want to have to wait for a three-year election. We want to be able to have access to information, to be able to have referendums, to be able to say to our local government, "We want you to put down your priorities, how you will pay for them, and then if we disagree with your list of priorities and means of paying for them, we want to be able to say that we would like to have a referendum on it now so that we also can have a voice."

We do not want to be told, dictated to, what fees will be, what tax increases will be. We do not want that. We want to be partners with the municipalities. We want to have the faith restored. The only way we can do that is for us to be allowed to participate with them; the same thing that you are giving them. That's all we ask.

Mr Munro: Just one point I'd like to add to this: Yes, we do have faith in local levels of government, within limits. One of the reasons we're in this mess, the municipalities in Ontario and in Canada, is because governments have been doing things that governments should not do, or too much. That is how we got into the position where we've got such a debt and a deficit that we're having an awful time getting out of it.

Someone on television the other night on Wall Street Week mentioned that the people of the United States, as individuals, are now paying something like 16% of their revenue in interest payments—mortgages, credit cards and the whole ball of wax—and made the point that once before it got up to that limit and we dove in North America into an immediate recession. It's happened again. We're up to 16%. Canadian governments, I believe, are spending something like 31% of their revenue in debt payments; therefore, for the province of Ontario to cut debt and allow other levels of government to increase it, just defeating that purpose, is counterproductive.

Mr Hardeman: I would just like to say that the process of public consultation is very important and I would support that, but I find it interesting that the two presentations here in the last hour came in and the first one said public consultation in Waterloo region works perfectly, better than any place in the world; the next presentation says, "We need more limitations on our local politicians because they've done"—and you actually mention two or three projects that would not have proceeded if enough public consultation had been held.

I think you spoke of a slippery slope on the Common Sense Revolution. This public consultation does create that too. I would also point out from our perspective that we support your position that you voted for the Common Sense Revolution. We see this bill as the main tool to implement the Common Sense Revolution and the end result will be what you voted for.

The Chair: Mr Hardeman, the time has come to an end. Gentlemen, I'd like to thank you for coming forward today to make your presentation. Committee, we will recess until 1 o'clock.

The subcommittee recessed from 1209 to 1302.

CITY OF OWEN SOUND

The Chair: Good morning, ladies and gentlemen. Welcome back to the standing committee on general government. We have before us Mayor Stew Taylor from the city of Owen Sound. Welcome to the committee. You have half an hour to make a presentation today. You may use the time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you could perhaps introduce yourselves and those who are accompanying you at the table for the benefit of committee members and Hansard.

Mr Jim MacKay: Thank you, Chair. My name is Jim MacKay. I am acting mayor for the city of Owen Sound. To my far left is Craig Curtis, our city manager, and to my left Councillor Ann Kelly, and to my right Councillor Peter Lemon. We want to thank you for this invitation to allow us, the city of Owen Sound, to express the concerns of our community on Bill 26 and to tell you firstly who we are.

We are a small city of 20,000 people. We actually have a drawing area of 28,000 people. We have in our community small and varied industries. We are 120 miles north of Toronto and approximately 100 miles north of Kitchener. We consider it the snowbelt. We are the only city in two counties, Grey and Bruce, and we are the hub of the area for services and shopping.

You have our brief before you. Our brief is listed in five areas. We cover the background. We cover Bill 26. We cover the Association of Municipalities of Ontario's position, the city position and the city's requests. As you can see, we would start out with our general comments and observations.

We know there's an AMO position that's generally supportive of the intent of the legislation as it affects municipalities. They have taken issue with a number of details of the legislation and they have recommended a number of changes which are referred to in the detailed sections of this very brief.

The city of Owen Sound has the following major concerns regarding the contents of Bill 26 and the method in which it was introduced.

The new legislation was introduced in the lockup budget presentation on November 29 and was originally intended to be passed on December 4, without public hearings. The city of Owen Sound was only able to obtain a copy of the legislation on December 12. This is not an acceptable democratic process. The legislation has far-reaching direct and indirect impact on municipalities throughout the province, and no provision was initially made for community input. The government is now convening a small number of hearings—and we are here today—at which the presentations will be strictly limited. It is understood that the government still intends to pass the bill by January 29. This puts in question the province's commitment to respond to the briefs of the individuals making presentations. This is not an acceptable consultation process.

This legislation is a broad grab-bag of different initiatives. The more common Canadian practice has been to separate legislation of this kind into manageable portions; thus the items which have broad community support can be implemented quickly and more controver-

sial items can be debated in public. The bill does not reflect an acceptable legislative approach.

In summary, the city of Owen Sound wishes to express its strong objection to the manner in which the bill was introduced, the lack of consultation with the municipalities in its preparation and the lack of opportunity for municipalities and individuals within the community to provide input—and people from our community have already voiced concerns. The city of Owen Sound considers that Bill 26 contains some excellent initiatives but some initiatives that will detrimentally impact on our community and, we know, on others throughout our province.

We recommend that Bill 26 be broken down into component parts to be debated separately. We recommend that the adoption of Bill 26 be delayed at least to the end of March to facilitate additional public hearings in convenient locations throughout the province and to encourage a full and public debate.

Municipal restructuring: Current legislation is presently cumbersome and expensive. Restructuring studies that have been undertaken have resulted in very few changes. The case study of the town of New Tecumseth states that duplication among local administrations is a luxury that taxpayers can no longer afford. We agree with that and have already taken steps for consolidation.

The city of Owen Sound's position is that we generally support the provincial government's municipal restructuring initiatives. However, we feel that whereas local autonomy is important, some provincial legislation, leadership and vision are required. In addition, the legislation does not outline the means by which public and community input can be obtained.

The city has concerns that councillors would be personally liable for actions which might result in a municipality being adversely affected financially. This is contrary to the normal procedure, in which council as a whole has shared responsibility.

The city of Owen Sound supports the amendments regarding municipal restructuring in principle. The city of Owen Sound requests the provincial government to clarify its preferred vision regarding municipal annexation and amalgamation. The city does not support AMO's position that a commission for the development and implementation of a restructuring proposal be established only at the request of the municipality.

The city of Owen Sound requests the provincial government to delete the amendments of section 25, which would impose unwarranted financial consequences, and we request the provincial government to amend the legislation to outline the means to provide opportunities for community input in decisions on municipal restructuring.

Conservation authorities and their restrictions are of great concern to us. The impact of this legislation must be carefully considered in conjunction with the provincial government's November 29 financial statement. In terms of this statement, grants to conservation authorities will be reduced from $34 million to $10 million over the next two years. Provincial funding for conservation authorities will be limited to flood control and no funding will be available for the operation and maintenance of the authorities.

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It is assumed that the province may be attempting to download this responsibility to municipalities. This is given further credence by the fact that the grant reductions to conservation authorities appear in provincial documents under the heading Municipal Funding Reductions.

The city of Owen Sound requests the Minister of Natural Resources to provide a clear statement regarding the province's plans for the future of conservation authorities and the provincially significant lands under their jurisdiction and control.

The city of Owen Sound expresses major concern that the province is abrogating its responsibilities regarding provincially significant conservation authority lands and again is attempting to download this responsibility to municipal governments.

The city of Owen Sound recommends in the strongest terms that amendments to the Conservation Authorities Act be put on hold pending consultations between the provincial and municipal governments on this issue.

User fees and licensing: The city of Owen Sound has established a broad range of user fees. However, the prescriptive nature of the present Municipal Act and other legislation pertaining to municipalities limits the city's ability to establish user fees in all areas. The present legislation respecting business licensing is very restrictive and antiquated and therefore confusing to interpret. The city of Owen Sound generally supports the concepts of broadened authorities for user fees and licensing without ministerial intervention.

With respect to licensing, the city strongly supports the simplification of the Municipal Act but cautions that simplification should not be done at the expense of clarity.

We request the minister to remove the ministerial authority to enact legislation and regulations that would generally limit a municipality's ability to establish user fees or licensing. We request the minister to clarify the intent and scope of the five-year limit for licensing bylaws with respect to the continuances of licences pursuant to a licensing bylaw, and we request the provincial government to provide municipalities with operating funding for libraries on an unconditional basis without restricting their ability to charge user fees.

Under the heading of Development Charges on page 15, the city of Owen Sound's position is, the issue of development charges and their future was considered by the Owen Sound city council and the following resolution was adopted on December 13, 1995:

"That city council hereby supports the position of the Association of Municipalities of Ontario to provide municipal councils the authority to establish their own development charges policies and not further restrict the present practice.

"The city of Owen Sound requests the provincial government not to amend the Development Charges Act in a manner that further restricts a municipality's ability to charge for municipal services."

Under the heading Arbitration, the city of Owen Sound supports the amendments to the Fire Services Act and the Police Services Act regarding arbitration, subject to the changes recommended by the Association of Municipal-

ities of Ontario.

Under Special Purpose Boards, we are aware that certain municipal services are governed by provincial legislation and operated by special purpose bodies such as the library board, the police services board and the public utilities commission.

On page 20, the city of Owen Sound supports the amendments to the Public Utilities Act allowing the municipality to dissolve a PUC without holding a public plebiscite. There would still be debate; it's just the public plebiscite.

We request the provincial government to enact legislation giving municipalities greater control over the police department's budget. We request the provincial government to establish charges for the OPP for their services on a fair and equitable basis which does not create an inequity, which I am sure you are aware exists across jurisdictional boundaries.

We request the provincial government to provide municipalities with operating funding for libraries on an unconditional basis without restricting their ability to charge user fees.

Under the heading "Fire Department Restructuring," the boundaries drawn around work performed by fire department bargaining units have made it extremely difficult to design and organize for optimum efficiency, both in costs of operation and effectiveness. Section 5 of the Fire Departments Act specifies that only the chief and the deputy chief are excluded from the union. Ideally, the role of captain should also be excluded from the bargaining unit, thereby allowing the transfer of some management responsibilities, including discipline.

Bill 26 does not address the fire department restructuring, in spite of numerous requests from the AMO, as municipalities throughout the province of Ontario are concerned with this situation.

The city of Owen Sound requests the provincial government to amend the Fire Departments Act to define the role of captain outside the collective bargaining unit, thereby allowing the transfer of some of the management responsibilities, including discipline.

Under the heading "Pay Equity," throughout the core city businesses, pay equity was achieved through job-to-job comparative and proportional values. In the case of our home for the aged, Lee Manor, proxy comparisons were used, which is the plotting method. The proxy method provided the most lucrative funding arrangement for our home for the aged, Lee Manor. Bill 26, in schedule J, amends the Pay Equity Act to discontinue the use of proxy comparisons. This amendment does affect Lee Manor. The proposed amendment does not come into force until January 1, 1997.

The city supports the elimination of proxy comparisons. Proxy comparisons tend to upset internal equity within an organization. The city requests that further clarification regarding the employer's obligation if job-to-job and proportional value comparisons are not possible.

Under the transportation statutes, there are a number of items covered under this area but I'll only touch on, in general, the changes to the Public Transportation and Highway Improvement Act give more power and authority to the local municipality. However, the cost for reconstruction and maintenance of these roadways is left with the local municipality, and subsidies, as you know, are no longer conditional but are part of the unconditional provincial block funding.

The city of Owen Sound supports only the accounting and reporting functions that could be amended as proposed, provided the municipality is liable for the financial recordkeeping responsibilities. We request the provincial government not to amend the act that eliminates the financial support for the King's highway connecting links. These roadways are part of the provincial highway system and, if amended, they place an unfair financial burden on our municipality.

Ladies and gentlemen, thank you on behalf of the city of Owen Sound for the opportunity of presenting this brief to you today.

The Chair: Thank you. We have just a little less than five minutes per caucus for questions, starting off with Mr Cooke.

Mr Cooke: Thank you, Mr Chair. I apologize; I was a couple of minutes late getting in after the break.

I just have a couple of questions for you. First of all, I appreciate the fact you've come in from a fair distance to appear before the committee, and I certainly sympathize and agree with your concerns about the process. I could run through each of the communities, but I won't, other than to say that to hear we had 47 requests from individuals and groups to appear and 15 were heard, and that's been the type of trend that we've been experiencing in every community. Some are even worse. In Hamilton, the numbers are going to be even higher. I believe in Hamilton we've had 82 requests and only 15 are going to be heard later this week.

I don't know really where to begin, so I'll just try to touch on a couple of areas. I've had a little bit of experience for a couple of years with some restructuring of local governments and the county studies that were begun by Mr Sweeney but were driven at the local level and recommendations that came up at the local level, and one or two were ultimately implemented.

One of the concerns that I have, and I guess I want to get your feedback on it, is that the proposals in this legislation would in effect allow regional governments—because, as you know, the current regional governments are exempt from those restructuring provisions; it's only targeted at the current county and separated cities governments—would allow for all of this to be done by regulation. It's very unclear in the legislation as to what the public participation would be, and even if there were amendments to the legislation, we would have grave concerns about saying you could still do it by regulation, even if there was a provision that said the public had to be consulted. We should be using the legislative process that when a decision is made, then legislation comes into the House. All of us who are duly elected get an opportunity to debate, and then you would have further public hearings on the actual piece of legislation.

I'd like you to just expand on any concerns you might have on restructuring and your feelings about why county governments have been targeted with this piece of legislation.

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Mr Peter Lemon: If I may, first of all, the fact it is

by regulation is an affront to me because it's avoidance of the democratic system, because then a nameless bureaucrat somewhere can make the regulations and put them in place without any free and open discussion, which we favour.

One of the factors is that some of the county boundaries, which were drawn up 150 years ago internally, are not an accurate representation of the reality of today. Using our own case as an example, the city of Owen Sound has a community of interest around it of four townships. According to our survey, 35% of our workers inside the city come from the surrounding area, about 40% of our library use comes from the surrounding area and in recreation I think the percentage is about the same. So what you have to do is start to recognize that there are some boundaries that are artificial and don't represent reality.

And to have a separated municipality like Owen Sound provide services, we have to have the tax base, and of course the rural areas, because of provincial legislation in some respects, have an advantage over us. For instance, we pay for policing. It costs us, I don't know, $3.5 million a year or something in that neighbourhood, yet the townships around us which have a lot of commercial development living off the city don't pay for their OPP policing.

I also think some of the county boundaries will have to be looked at as well.

Mr Hardeman: Good afternoon. First of all, you spoke to the issue of a number of studies have been done in the past number of years about restructuring and redoing the way municipalities govern themselves but nothing ever seems to happen. In fact, I believe most counties have a study on the shelf now that has been prepared somewhere in the last 10 years. Then in your presentation you have a couple of comments.

I guess first I want to say about the public involvement, to make sure that we have sufficient public involvement, you seem to be concerned that a commission should not require the request of a municipality in order to make it happen. For the minister to appoint a commission should not require the request from the municipality. That would indicate to me that you're suggesting the minister should go and do this on his own?

Mr MacKay: No, I think we're suggesting that some municipalities will not want to consolidate or amalgamate. I would advise you that we have already held our meeting with our local townships and the village of Shallow Lake to start a process towards consolidating our area on a one-tier government basis.

Mr Hardeman: If I could then maybe clarify that part of the legislation, there are two different ways of having the minister appoint a commission. One is the request of a certain number of municipalities. The second one is the request of a municipality. You're suggesting in your presentation that that should not be required. If it went one step further, I would suggest that this would be a top-down approach to restructuring. The intent of the legislation is not to do that. I just wanted to clarify that.

Mr MacKay: I'll ask our city manager to address that.

Mr Craig Curtis: The one point that was made at our committee that actually considered this brief was the fact that the legislation is supported by our municipality, but we don't support AMO's position with regard to a commission only being appointed if requested. That doesn't mean that it would take away the say of local municipal councils or holding local hearings, but rather that in order to resolve a local problem, the minister could have a say and appoint a commission and get input independently from a request.

Mr Hardeman: I just wanted to point out that doing that, if we remove the part that it did not require the request of a municipality, that would give the minister, as some would have us believe the legislation presently does, the authority to move in and appoint a commission where no one had made a request. So I think it's been made clear in there that that is required to see that it is not an attempt to have the minister reorganize Ontario but to have it the local initiative, at the very minimum to have a municipality requesting a commission.

If I have the time, I would like to deal with the issue of the licensing and the user fee. The position of the city of Owen Sound is that that should be pretty inclusive, that they should have the ability to charge user fees where they deemed appropriate. Is that fair to say?

Mr MacKay: I do believe that's our concept. I also feel, and in reading through this brief, that in some cases I don't want any competition from other municipalities in some areas. I do think there also need to be guidelines, but that's a second discussion.

Mr Hardeman: But is that suggesting then that we want the total authority but we don't want the neighbours, so we don't want it to become a competitive situation?

Mr MacKay: I'm thinking particularly of bingo licensing and maybe I'm restricted in my thinking because of that. I wouldn't want the general concept that it must be for charitable organizations and for a specific purpose to be accomplished.

Mr Hardeman: But you are committed that local government is well able to license and to do that appropriately.

Mr MacKay: Yes. I do believe we've been ahead of the provincial government all along on this issue.

Mr Gerretsen: Thank you very much and I really appreciated your presentation as well. I won't dwell on the manner in which this was introduced, other than to say that as a former local politician as well, if you would have introduced a bill like this, of this magnitude, in your local municipality and in effect stated to the municipality, "We're going to pass it in three weeks without any public input," I think it would be fair to say you'd be run out of town.

Ms Ann Kelly: That's right.

Mr Gerretsen: And that's the main difference.

Just dealing with the restructuring aspect—and it's too bad and I totally agree with you that the bill should be split up in a number of different parts, because you can talk about each one of them and have a real meaningful discussion for quite a length of time. Dealing with restructuring, the real problem—and I'm talking 20 years of experience—is the fact that, first of all, when restructuring takes place, you're not only dealing with municipalities but you're also dealing with the rights of the

general public, who may very well have a different interest than what is expressed by each individual council. There's absolutely no problem if two municipalities decide to do something and the general public agrees with that. The problem that usually comes up is, what happens if that process falls down?

And, yes, this act basically allows things to happen a lot quicker, but it allows it to happen without any public input and without any right to appeal. I think that is the fact, and I'd like your comments on this, that the government totally seems to miss in this whole process, that there's no requirement for public input, and the fact that when a commission is appointed, not even the minister can appeal whatever the commission decides, which could be something straight off the wall. Hopefully not, if they choose the right people and all, but it could happen and there's no right of appeal to either the minister, to cabinet, to the OMB or to anybody. What are your comments on that?

Ms Kelly: That's the bottom line of the whole brief, isn't it?

Mr Gerretsen: That's right.

Mr Lemon: Don't you feel that in the whole piece of legislation, throughout Bill 26, not just in that area, there is the lack of appeal? There's the lack of appeal on the matter of health matters; there's lack of appeal in other areas. One of the things is it's setting up ministers to become autocrats. This is a democracy. I wonder.

Mr Gerretsen: I couldn't agree with you more. I'm a new member, a relatively new member, but I couldn't believe some of the powers that are being transferred here.

Mr Lemon: Exactly.

Mr Gerretsen: Yet many of the government members, being honest and people who really believe that they're doing the right thing, either don't understand that or they don't comprehend it, or maybe they've never been involved in any of these processes before etc. They have just accepted that, unfortunately, as a fait accompli, and, "I guess that's right, because Ernie and Mike are saying that this is the way to do it," etc. They're well-meaning people, but as far as I'm concerned, they're just totally wrong about the whole process. And it's too bad in a situation like this, when we've got a bill of so much magnitude, that the process is the thing that we're talking about. We shouldn't be talking about process; we should be talking about the meat of the thing.

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Mr MacKay: We're talking about process. In our community we were already ready for your situation on downloading and we have held two, one an employee initiative and another a council initiative, and we must hurry back tonight because we have an open meeting at our community from about 5 o'clock till at least 9:30 or 10 to receive briefs or comments concerning restructuring our city so that we spend less money. We've looked for $1.2 million less for this coming year, but you downloaded a little more than we anticipated and so we're still looking to cover that area as well without increasing the taxes of our community. So we've been very proactive in trying to accomplish our task.

Mr Gerretsen: You're the first organization that has made any comments with respect to the Development Charges Act, which is really part of Bill 20, but I do too find it a little bit curious that even though we have a government here that talks about partnership—and by the way, all governments have talked about that over the last 20 years. I'm sure that every speech that every minister has given to AMO, and I was at 16 of those meetings, you know, it's always been the same: "We want to get into greater partnership" etc.

Yet in that particular act they're saying that municipalities can't do anything to strengthen the Development Charges Act. They're basically told to lay off. You can sort of pass or extend what you have now, but you can't improve on that if you as local councillors feel that you have to.

Mr MacKay: I'll let Mr Curtis respond to that issue.

Mr Curtis: On the issue of development charges, the only reason we included that in the brief when it went to council was because of the statement by the minister that there would be regulations that fees cannot be charged as a substitute for development charges. This kind of ran up a flag that there was obviously some intent to bring forward legislation to change the rights that municipalities have in that regard, and we felt it was therefore an opportune time to bring forward the concern, because if the intent of Bill 26 is to give rights over to municipalities, that will be taking them away.

Mr Gerretsen: It's going to—

The Chair: Sorry, Mr Gerretsen. We've come to the end of the half-hour. I'd like to thank you for making the trip in and coming to present to the committee today.

Could I please have representatives from the Waterloo Regional Coalition for Social Justice come forward.

WATERLOO REGIONAL COALITION FOR SOCIAL JUSTICE

The Vice-Chair (Mr Joseph N. Tascona): I welcome our next presenters, the Waterloo Regional Coalition for Social Justice. I believe we have Kevin Smith and Matt Willems. You can commence any time.

Mr Kevin Smith: Thank you. We're from the Waterloo Regional Coalition for Social Justice. It's basically just sort of an amalgamation of local citizens' groups that are concerned about the direction that political policies are heading in, both provincially and nationally. It represents both the employed and the unemployed.

The current government of Ontario was elected with a mandate for change. Although the Waterloo Regional Coalition for Social Justice does not agree with many of the changes proposed, many people in this province voted for a drastic overhaul of the public sector and everyone will feel the effects of it.

What this government has forgotten, though, is that democracy isn't over with the casting of an election ballot. The people of this province have very little information and influence in policy direction right now, and this bill serves to further curtail democratic citizenship and marginalize public input. I thank you for holding these public hearings and hope that in the future the opposition won't have to resort to such extreme measures to get a public debate on important legislation. Democracy isn't an encumbrance that can be tossed off in times

of alleged fiscal crisis.

I would like to focus for a while on the effects of the bill on the municipalities of the province. First, we must look at the power that the Minister of Municipal Affairs assumes under this bill. The minister has the power to restructure municipalities, obtain any information he deems relevant to the efficiency and effectiveness of the municipality, exempt certain businesses from licensing provisions and administer conditional grants to the municipalities. So essentially the minister has the power to know all about municipal operations and can direct their policies in any way the minister sees fit.

Municipalities can now freely privatize some services and charge licence fees for others, all without public referenda. Soon municipalities will be able to give conservation authorities whatever funding they wish, and dissolve them as well.

The rationale for this is to achieve budget targets with greater efficiency, so we must forego democracy and instead resort to dictatorial fiat by ministers and municipalities. It is as if the provincial government is a large corporation that is buying out smaller municipal corporations and is now proceeding to streamline and downsize their operations without any democratic input whatsoever.

Not only is this highly authoritarian, but the shuffling of responsibilities will not solve our problems. Certainly there are costs which can be cut. For example, Kitchener and Waterloo could be merged and we could sell one of their shiny, new city halls. Waterloo region can probably deliver some services to the wider area more efficiently than the cities can. However, offloading deficit problems from the province to the municipalities and encouraging the use of user fees and privatization only transfers the cost.

There is only one taxpayer/consumer, and instead of paying for services as taxes, he or she will pay for them in consumer prices and in user fees. The result is not greater efficiency but higher costs, decreased accessibility and poorer service from more poorly paid and trained staff. Moreover, the private businesses which run these services are not democratic or publicly accountable. If there is waste or mismanagement, the public will pay the price and will not have the recourse of outrage that they have with their public institutions. They may end up paying lower taxes but paying higher prices for services. If it all comes from the same pocket, what's the point?

Also important is the limit of access to public information from the changes to the freedom of information act. We've had a taste of this already. The text and description of Bill 26 has not been made electronically available by the government, though it can be obtained from an MPP for a $20 charge. It's a good thing it wasn't perceived as a frivolous or vexatious request, or I would have nothing to comment on today.

Availability of government information is an important democratic right. If you want cost savings in this area, I would recommend publishing all non-confidential information electronically automatically, and thus avoid these costly information searches.

Another important aspect of this municipal offloading is the resulting inequality that will develop as property taxes and licence fees become the funding source for essential services. We can see this in Waterloo right now with the roads. The costs for road improvement are shared by those who live on the street, so those with low-income housing have very poor roads, which are avoided by others. If this happens with other services, you end up with ghettos, pockets of poverty amid pockets of affluence, which is a recipe for social breakdown. Moreover, as Matt will point out, competition between municipalities for industry and business will make the preference of industry the deciding factor for levels of social services, rather than the electorate.

Of course, it's ridiculous to criticize the current direction of the government if there are no other options. However, the Waterloo Regional Coalition for Social Justice feels there are options which can be envisioned and implemented by an open-minded, compassionate government.

The solution I'd like to propose for our fiscal problems is not one which diminishes democracy, but enhances it. The public needs to know all about the operations of the government so that they can set priorities about where their money is spent. All government administrative information should be made available to the public so that they can make their own choices and set their own priorities. Moreover, all non-profit and for-profit businesses that are receiving government money or special tax breaks or that provide monopoly or oligopoly services should have to make their administrative records public for public scrutiny and possible regulation or nationalization if a public institution is deemed to be more efficient. The public needs a forum in which their views on financial matters can be expressed, since an election ballot is a crude tool for giving input on public finance.

The government is committed to decentralizing funding and control of services. This process brings decisions closer to home for the citizens. However, it also makes funding less consistent and equal since poorer neighbourhoods can't afford the quality of service that richer neighbourhoods can. We are not city-states in Canada. We have chosen to come together as a nation to provide equal opportunities for our citizens to be successful. Since higher levels of government have more power to draw on funding sources, they should be paying the costs and setting basic standards for quality, while the lower levels should have the latitude to implement what their constituents want within this framework. Offloading funding problems on those least able to collect revenue is not a responsible solution.

The government talks about setting priorities, and we certainly endorse this position. Our priorities should be on cherished public services and basic needs. Giving taxpayers a break so they can save more money or spend it on imported luxury items doesn't make good economic sense. We need to get together to make our flat taxation system more progressive, closing unnecessary tax loopholes and considering wealth and inheritance taxation so that all the benefactors of our society can pay a fair share of the cost of maintaining it. Most public goods, like health care and mass transit, are cheaper, more efficient and more accessible than their private counterparts and are available for all to use. People need more, not less,

input into solutions and must be assured that everyone is doing their fair share to resolve our fiscal problems.

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If the situation is as dire as is claimed, we should carefully consider all possible options before we dismantle our public services, especially if we will end up with more expensive or lower-quality private services.

The government has said they probably won't use all the powers that they're giving themselves in this bill. If they are truly interested in the small-c conservative agenda of less government and a freer society, they will not give themselves any additional powers unless they are absolutely necessary. I strongly urge them to rethink their plans for this province before they do irreparable damage to Ontario society.

Mr Matt Willems: Good afternoon. I'd like to speak about what I perceive, and I think other people would perceive, would be the economic impact of Bill 26.

At the heart of Bill 26 is a desire to change fundamentally the structure of government decision-making to control a budget that is effectively out of control. Unfortunately for the government, it seems that the supply-side measures in the proposed bill will fail. These measures cannot possibly solve the problem, as cuts will slow the economy down by taking money out of the pockets of those who will spend it for sure and so reduce tax revenues and increase government outlays, exacerbating the budget problem.

The social justice coalition believes that the government should fundamentally rethink its policy direction. Rather than decentralizing the government by pushing responsibilities on to lower levels of government, it should redirect its efforts to push the federal government to offer aid to the provinces in the form of low-interest-rate loans, as was done during the 1930s when a debt crisis of similar proportions was last experienced.

I would argue that no solution will be possible without incorporating a new monetary policy at a national level. The provinces already must pay a higher interest rate than the federal government to borrow on international bond markets, so a simple consolidation of provincial debts at the federal level in itself will reduce expenditures by several billion dollars. My argument will thus dwell on an argument that is actively suppressed in the media because it runs against the interests of the parasitical financial community, the largest source of the same media's advertising revenue. Just because the entire world seems to be on this course does not mean that it isn't misdirected. As they say, fish will follow a foul boat.

First I will establish that pushing the problems to lower and less powerful levels of government is not a feasible solution, and then continue to argue that the solution lies nationally and internationally. As John Ralston Saul, the world-acclaimed Canadian writer and former investment adviser, states:

"The point of decentralization is not really to deal with the tension between big government and the citizen, because there are actually three players in this triangle: the citizen, big government and big business. Any move by two players is affected by the third. Interestingly enough, the big companies are mostly in favour of decentralization. The president of a large Canadian bank recently broke Adam Smith's 'utmost silence' of the employers and said publicly that national standards in social programs were nonsense. Everyone, he said, has different needs. He didn't, unfortunately, go on to explain the different regional needs of cancer and heart attack victims."

The push by the Ontario government to turn around the budget is based on the idea that decentralization will increase local choice and bring government to the people. This might put the province's budget on a better footing, but the budget problem will be pushed on to municipalities, much the same way as the federal government has pushed its own fiscal problems on to the provinces by reducing transfers. Saul goes on to say this about decentralization:

"Of course, the regional governments can't raise taxes. The source of revenue would simply leave for another region. In fact, the effect of decentralization without guaranteed funding and national or multinational standards is a competition between regions for the lowest possible tax rates. The region with the fewest tax sources must drop to the lowest tax rates. The standards of programming will drop with the taxes. Inequality between regions reappears rapidly, to such an extent that the programs may not even survive."

We must realize that we are in a crisis of international proportions—witness the tension in France, the US, Japan, Mexico etc—and the problem will only be solved by coordinated action. Countries and regions cannot compete among themselves forever for ever lower tax revenues. We will need courageous politicians to carry out these changes from every level, and for most of them this means going against the advice of the special interests that helped fund their election campaigns.

The government has also promised a massive 30% income tax cut that amounts to about $5 billion in revenue, about half again the size of the current deficit. We believe a much more effective and stimulative move would be to lower the retail sales tax. Reducing income taxes on the rich and middle classes will not stimulate the economy with a multiplier effect of the same magnitude as a cut in the sales tax, because these groups tend to save a larger share of income. In a stagnant economy, there is little incentive to invest savings in factories, so these savings tend to be invested in existing assets, leading to so-called bubble phenomena. This is also known as the paradox of thrift. A sales tax cut benefits those low-income individuals who pay virtually no income tax.

In a Globe and Mail editorial on December 11, it was suggested that the government cut the retail sales tax from 8% to 3% instead of the 30% income tax cut, for the same reasons I've mentioned. Under the circumstances, I do not think the government will lose face in carrying out this alternative tax cut, even if the cut is only 3% or 4%.

Other measures proposed in Bill 26 will not ultimately solve the fiscal problem but will reduce public services. This will add administration costs and divert money from consumption in the private sector to pay for the additional fees—in other words, a zero sum game. However, I must agree with the typical economist's perspective—and I say

this with reservation—that modest user fees for certain services may redistribute resources in a more efficient way, since consumer behaviour will be more closely determined by real costs. But it is important to note that this will divert income from private consumption and set in motion the negative forces stemming from slack demand: reduced sales and income taxes from fewer well-paid members of the labour force and additional bad debts due to a greater number of bankruptcies of insolvent businesses and individuals.

Add to the drain on family budgets that will be caused by new user fees the effects of actions to limit the government's expenditures by cutting government personnel in the order of 13,000 employees, along with a draconian 22% cut already borne by many social assistance recipients, and also cuts to higher education, and you have a recipe for a massive slowdown or collapse. We should remember as we begin the new year that the economy is perilously close or already mired in another recession, even from a narrow technical perspective.

Meanwhile, the government is taking no action on risk-free, non-stimulative payments to international bond holders, while cutting expenditures to people with more basic needs who would be spending their cheques within the province. To argue that the government's hands are tied in the manner it borrows is to argue against the historical reality. As the recently retired chief economist of Hoogovens NV of the Netherlands, Dr A. Van Der Ryst, has written:

"In the past, receiving interest income on bonds was never 100% guaranteed. In numerous instances throughout history, interest payments were in fact postponed or did not take place over certain periods in the event of war, revolt etc. Alting Bosken reports that the state of New York suspended the payment of interest to persons 'within the enemy's lines' according to article 5 of a new law passed on July 12, 1782. He also mentioned many countries in Europe that misused their credit to varying degrees. England, believed to be on a very sound footing, at times reduced interest payments, France and Spain ceased payments, Russia violated its payments promises, Portugal repeatedly brought about conversions, each time involving a reduction in principal and interest."

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I would not suggest that the government default on its obligations. However, I'm merely suggesting that a balance should be re-established. Every 1% reduction in provincial borrowing costs on, as you know, the $100 billion in provincial debt would reduce the deficit by $1 billion. The Province of Ontario Savings Office could be used more actively to fund the debt by selling bonds directly or through department stores etc to Ontarians. It could also leverage itself, much as a commercial bank, to fund itself by an amount several times the approximately $4 billion in liabilities it now handles.

Sections 14 and 18(c) and (j) of the Bank of Canada Act give the Minister of Finance the power to instruct the bank to lend to any level of government whose debts are guaranteed by the federal government. Let us say that we allow the Bank of Canada to create $15 billion of the $30 billion that will be needed to be added to the money supply this year. This unusually large addition to the Bank of Canada's assets will not lead to any additional inflationary pressure if modest reserve requirements are reintroduced for commercial banks. At the moment, the Bank of Canada creates only a small fraction of total new money each year, which stands in stark contrast to the role it assumed from its inception in 1935 until the 1960s.

However, the reason the cuts being proposed seem to be the chosen solution for all of our politicians is that they fit neatly into the ideological perspective that dominates corporatist thinkers and the think tanks they sponsor worldwide, as well as the media they fund. That perspective, repeated with religious conviction, is that the public sector is necessarily inefficient whereas the private sector is perfect. This perspective is convenient for those who want to grow the private sector by stripping the assets of the public sector, since the private sector and its profits are not growing at an acceptable rate, due predominantly to unreasonably high real interest rates.

The private sector is not growing sufficiently to provide jobs, especially for those just coming out of school, because it has been burdened by mushrooming interest costs in the same way as have all levels of government. Central bank policy has stopped inflationary pressures by creating a massive pool of unemployed and desperate citizens who will work for a fraction of their previous salaries. The victory over inflation has been achieved with high interest rates which, as already mentioned, have increased government expenditures on debt servicing to an already unsustainable level and raised the costs of doing business; that is, in the private sector. The only solution will have to involve low real interest rates. There are other central bank levers and legislative powers—such the reserve requirement, moral suasion, and wage and price controls—which can be used to control inflation and are far less damaging to the social fabric.

As we can see from table 1, Switzerland and Japan have had low and stable interest rates, which has helped to control their governments' interest expenditures. In fact, of most of the countries examined, Canada is behind only Italy in the amount it pays out to the bond markets worldwide. That is about 10% of GDP, and that includes all levels of government. So local government, provincial government and federal government interest payments together add up to 10%, which is about twice as much as the United States and Japan, Switzerland etc. That's because of the deliberate policies of John Crow and Gordon Thiessen.

This is a result of central bank policy which provided bond holders with the highest real interest rates of the G-7 over the past 10 years, and subsequently also caused the collapse of the Canadian dollar a few years ago. Currency markets lost faith in our ability to pay. Without low interest rates, governments will continue to lose the battle against stagnation and collapse no matter which other measures are taken, such as the majority of those in Bill 26.

I think most of you probably have a copy of table 1. What you can see is that our inflation rates have not varied considerably from the other countries in the study, which include Japan, Switzerland, the US and Germany.

But if you look at interest rates, they, on the other hand, have differed significantly. To argue that because Canada is a small country we must raise our interest rates several points above those of the US is fallacious I believe, because if you look at the Netherlands, which is a small neighbour of Germany, its interest rates have mirrored those of Germany all the way through from 1988 to 1994.

Bill 26 and the so-called Common Sense Revolution is in fact no different from other supply-side agendas in the past that have failed. These measures target the unemployed to increase the incentive to work and increase the disposable income of the relatively wealthy so they invest more. Governments must rediscover the effectiveness of demand-side policy if social and economic problems are to be reversed. The problem is not that there is no money around. In fact, there has never been more money around than today. The supply of money grows every year, faster than government expenditures.

However, ownership of that money is being concentrated at alarming rates. Notice the wealth reportedly owned by the richest 10 Canadians just last week. Yet the government is reluctant to increase taxation on the rich or lobby the feds to help the province fund itself by low-interest-rate loans from the central bank as it did during the 1930s, so will never balance its books by targeting an ever-greater population of marginalized citizens. Trickle-down economics is an apologist's theorizing.

Governments arguing that they have no levers of control over the way they borrow and create money are copping out of the responsibility they have to the general public and merely satisfying the short-sighted and destructive demands of their friends within the financial community.

Reintroducing reserve requirements would allow the central bank to hold a much larger share of the public debt, as it had done until banks got their way. Having the central bank hold more public debt would not be creating any additional money as long as the banks are required, once again, to hold significant reserves at the central bank. Right now I believe Canada is only one in three countries in the world that has no reserve requirements any longer. I believe Sweden and another country do not have them. This was a directive of the Bank of International Settlement a while ago. It has since run out of favour. It's not being pushed through other parliaments at the same rate as it was during the late 1980s.

In fact, if governments are perceived to be the cause of inflation because they print too much money, commercial banks deserve 30 times the blame, because that is the multiple they are currently adding to the money supply every time the central bank prints a dollar.

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To reiterate, the government should target interest expenditures for reductions by innovative collaboration with the federal government rather than stick to its current agenda. It appears, however, that both levels of government kowtow to the needs of the bond market, the sacred cow of corporatist ideologues. Lower and more stable interest rates will also improve real investment in machinery and equipment as the present value of projects improves relative to an investment in riskless government bonds.

The Vice-Chair: Mr Willems, I'm going to have to—

Mr Willems: I have a paragraph left. Is that all right?

The Vice-Chair: We're out of time right now. We're running late.

Mr Willems: I have two pages.

The Vice-Chair: I'm sorry, but we are running late and we have other groups to present. I'd like to thank you for your well-thought-out presentation at this time. Thanks very much.

Mr Willems: Thank you.

Interjection.

The Vice-Chair: No. We are out of time right now and we have another group and we're running late.

CITY OF GUELPH

The Vice-Chair: Our next group is the city of Guelph and Joe Young, the mayor.

The Chair: Good afternoon and welcome to the standing committee on general government. You have half an hour to make your presentation. You may use the time as you see fit. You may wish to leave some time at the end of your presentation for responses and questions. I'd appreciate it if you'd introduce yourself at the beginning of your presentation for the benefit of committee members and Hansard.

Mr Joe Young: Mr Chairman and members of the committee, my name is Joe Young. I'm the mayor of the city of Guelph and I'm here to present the thoughts of Guelph city council as well as to add a few personal general comments, all related to Bill 26. I will be verbalizing based on some notes as opposed to providing you with a written submission. On that basis, my submission really has to do with two major elements, as I've briefly stated, one having to do with the recent council resolution.

This past Monday night, which was only two days ago, council had as an item on its agenda the whole business of Bill 26. What we were doing was looking at and reacting to a resolution which was recommended to us by our senior staff. The resolution had two major components. One had to do with asking council to support Bill 26 and the second element of the resolution had to do with our desire to assist the province in the development of regulations which would follow Bill 26.

In connection with that first element which, as I say, had to do with support of the bill itself, there were some councillors who spoke very strongly in favour of support and there were others who were opposed to support, not in its entirety necessarily but certainly on certain major elements, as they saw it. As examples, there were at least two members of council who were very, very upset and spoke strongly in opposition to the dollar reduction, the financial reduction in support of conservation authorities and other changes that related to conservation authorities.

I can tell you that in Guelph we are offered a very good service by the Grand River Conservation Authority, which has control and jurisdiction in connection with several rivers, all of which become the Grand River conservation area or basin. We have worked very closely with them and have been very, very satisfied in terms of

their work with us. They're a very good organization. They have been very protective of the wetlands, the rivers and literally all the waters in the area, including our drinking water.

I think any danger that would be posed to that organization is rather frightening. I say that because, taken in total, if we do not look after the planet, the planet is not going to be in a position to look after us. So we'd better make the right decisions, and I think this is quite a mistake in terms of any harm through dollars or other changes in authority etc relative to conservation authorities. As I say, this feeling was expressed by at least two council members.

Another concern had to do with changes to the freedom of information act. There was not a great deal of detail relative to that except, as I understand it, there is not going to be the freedom to the freedom of information that there has been. In other words, a city clerk I think can make certain determinations as to whether a request is flippant or not and therefore decide whether to provide the information or not provide the information.

Overall, generally it was felt that the bill was too far-reaching, or so far-reaching; it was too all-encompassing and with far too little time to be thoroughly studied, understood and to be really commented on. I must say that prior to Christmas we attempted to get copies of the bill, and we must have been a week and a half, two weeks minimum before we even had a copy, and of course the holidays came along right after that.

Interruption.

Mr Joe Young: If I may continue without interruption from the back, the council resolution is as follows. I'm hopeful that the people at the back will listen.

The resolution on Monday night was, "That the mayor or his representative attend a general committee hearing scheduled for January 10, 1996, to advise the committee that Guelph wishes to work together with the province in the formulation of any regulations which may have direct impact on municipalities." I can leave this copy with you, if you so desire. That was the resolution.

Really, in effect what it does is that it strongly underlines the fact that the development of regulations is extremely important in those areas where we, as a municipality, will be affected. So members of our council and members of our staff are more than happy and willing and actually anxious to work with the province in the development of regulations.

We see the major thrust of Bill 26 as being positive because it is attempting to make government at the various levels more efficient, more effective and less costly. I don't think you can argue against that. So we certainly welcome this general direction. I want to make a strong point of that.

In terms of personal general comments—many of these are from councillors—in terms of the business licensing change, we welcome that very much. We have had problems and a lot of people are very upset over business licensing fees. For example, if you are attempting to get a licence fee for a restaurant, we are required to charge up to $20, but not more. That is legislated. Yet, we have to send our people to make certain inspections and investigations before we issue the licence.

So the health unit, which is really the health unit of Wellington and Dufferin counties and the city of Guelph, has to send its people out to the location, our fire department has to go out there, our building department or inspection department has to go out and so do our zoning people. We add all of this up and I'm sure we are somewhere, in the order of cost, of $200 to $500. We are allowed to charge a maximum of $20. So I see a greater freedom under the business licensing, that change, as being very beneficial.

Along the same lines, the present licensing act is very restrictive in terms of what we can license and what we cannot license. For example, we cannot license clothing stores; we cannot license consultants; we cannot license home businesses. There is a whole variety of commercial activities in the city of Guelph that we cannot license and there's a whole raft of other ones that we must license. It's very difficult, when you study the list, to come to a conclusion in terms of what the real basis is behind it all. As far as I'm concerned it's very antiquated, what we have presently to work with, so we welcome the changes that we see in the business licensing aspect of the bill.

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Block grants: Previously, I understand we received funding in terms of allocated and unallocated dollars. I've always had a problem with that because I see the allocated dollars as having a steering effect on municipalities. In other words, we're being pushed by the province to do certain things, and it's hard to argue against that, but the problem that poses for us is that we see these dollars out in front of us, for example, to do something in connection with roads or bridges, and we may want to do these things maybe five or 10 years down the road. None the less, we see these provincial dollars and we say, "Okay, we'll put that as a priority and we'll get at that right away." That takes away from our real priorities which were ahead of that road or ahead of that bridge.

So with the entire amount coming now as a block grant, literally unallocated, I think that will allow us to deal with our priorities the way we see them. That's a very good move. The only disturbing thing is that the block grants are being drastically reduced, so I'm not sure whether we're winning or whether we're losing.

Mr Agostino: I think you are going to be losing.

Mr Joe Young: The one thing I would say is that the city of Guelph and I think most municipalities in Ontario have been very fiscally responsible. We have not had a financial problem. We run the city the way you run a home. There's so much income, and you can't spend more than the income. So we've been able to live and get by and do, I believe, quite well.

Unfortunately, through a series of governments in the province and federally as well, we as a nation and as a province are in difficulty. I think we all have to share in the suffering and the sorrow and the hurt but, none the less, as I say, it's unfortunate that because we have been doing I believe quite well, we now have to suffer this downloading and unloading of some of the misery. Maybe that's life.

Moving on a little bit, public sector salary disclosure: In Guelph we've always been very open about salary

disclosures. It's public money that's being spent on salaries and it's never been a big secret around Guelph in terms of who gets what. With this business of now having as a requirement to disclose salaries of $100,000 and over, or maybe it's over $100,000—I'm not sure—I think that's more than welcome and long overdue. It's going to be on a much larger scale than just municipalities; it's across the whole broad sector and I think that's a good move.

Interest arbitration, as I understand it, is a very good move as well. In terms of nitty-gritty, the arbitrators now have to consider the ability of the municipality to pay added salary or added wages. When we talk about the ability of the municipality to pay more, we're talking about the ability of individual taxpayers. That's what it really comes down to. I think it's very important, because my experience and observation has been, over the years, that this has not come into consideration at all. There have been other matters that have been considered. So to me the change in arbitration regulations or rules are going to be more than welcome.

The only other thing I would say, and I think it's very important, in looking at arbitration awards—they should not impact on the tax rate for local taxpayers. In other words, they should not cause the mill rate to go up in itself. So if there's going to be an increase in salaries as a result of an arbitrator's decision, I think the arbitrator has to look at our other sources of income to pay those added dollars. That has to do with growth and development and possibly other ways in which we get our income, but it should not really impact on the tax base.

The next little heading I had here was restructuring. I've always believed in what is called restructuring. I'm not sure that I've ever referred to it as such, but I think every level of government and every business—and many businesses are forced to do this sort of thing long before governments get around to it—has a very direct responsibility to offer the most efficient, effective and low-cost service that it can to the community. We're not going to do that if we close our eyes and say, "What we have today is what we should continue to have literally forever." We should always be looking at ways of improving how we can be more efficient and provide a better service to our customers, who happen to be the taxpayers, and so we must always look at this.

We have not had formal discussions with any of our neighbouring municipalities, but I would certainly welcome that, because, as I say, if you don't look at these things, there will not be improvement, so we would certainly welcome that.

I must tell you that we work very closely with Wellington county. We are partners in social services and we are partners in many other things that we do together including, believe it or not, searching for a landfill site. So we do work in a very cooperative effort, and we can always do better.

Finally, I want to talk about what I believe could be referred to as unilateral ministerial authority. This bothers me enormously if I understand what is being proposed correctly. To me, it is a form of dictatorship, without consultation, without input by many of those who are affected. I think about basic democracy, and I must tell you this gives me a lot of concern.

I was listening to some of the previous speakers, including the people from Owen Sound, and I think there is this general concern right across the province, just based on people who have spoken to me and people I've spoken to and from listening to others such as I mentioned, the people from Owen Sound.

It bothers me enormously and yet I say to myself that I'm a citizen here in Ontario and I have a provincial government. I would hope that my provincial government would make sure that if a minister is going to be making a decision, he has plenty of input, that there's been plenty of dialogue and plenty of discussion. That is my hope. I basically don't agree with the authority, as I understand it, that the ministers are going to have; I think it's much too powerful. But setting that aside, overall I think generally I agree with the thrust of the bill.

Just to sum it up, I agree with the business licensing changes, the block grants, the public sector salary disclosure, the interest arbitration, the restructuring opportunities, and I'm very unfavourable towards that latter item, the unilateral ministerial authority. Members of the committee, that pretty well summarizes my thoughts, plus the resolution and background from the council of the city of Guelph.

The Chair: Thank you, Mayor Young. We have just a little more than four minutes per caucus for questions. We're starting with the government caucus.

Mr Gary L. Leadston (Kitchener-Wilmot): Your worship, you mentioned in closing that you personally supported the initiatives in Bill 26. I take it that was the sense of the resolution passed last night by your council?

Mr Joe Young: No, it was not. As I said at the outset, there were two major elements to the recommended resolution from our senior staff. One had to do with support and it was in the resolution they provided to us; the second had to do with our sincere desire to get involved and have input into the development of regulations. The part of that resolution that talked about support of the bill was struck out. The resolution was not accepted, it was struck out, and we ended up just as I read it to you. The support is for our staff, literally, and members of council to be involved with the province in the development of regulations.

Mr Sampson: I just want to follow up on that. You want to be a part of the process that determines regulations but you don't want to support the bill that enables the regulations to be established. Is that the drift I'm getting? I'm sorry, I must have missed a—

Mr Joe Young: You have to think of the council as a group of people who come together with one single resolution.

Mr Sampson: Right.

Mr Joe Young: The point I was trying to make is that there was enthusiasm by some members of the council, and there was a great concern and lack of support by other members. The resolution that carried—and this is the important part because we have democracy in Guelph—was a resolution that did not contain the support of the bill.

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Mr Sampson: You speak of the powers of the

minister that concern you as they relate to the municipal side of the act. Can you be more specific as to where those areas of concern are and how we might want to deal with them?

Mr Joe Young: I don't know if I can be more specific, because I have not read through the bill. I have read a great deal about the bill. I have read a summary of the bill by our legal advisers, and we had the general discussion with input at the council meeting. I would hesitate to be very specific beyond that. I do know that in practically every element of life, as far as municipal government is concerned, we're involved with the province. I gave you the example of the steering effect of the allocated funding that we've had to date, and it has been beneficial in one sense, but it has made our life a little more difficult in terms of carrying out what we saw as our major priorities.

Mr Sampson: On the licensing fee issue, is it your sense that the powers that are being given to municipalities under this proposed legislation would encourage the municipalities to perhaps justify the fee for the service provided, or vice versa?

Mr Joe Young: No, absolutely. My goal in licensing fees is that we as a city collect and cover our costs. The way it has been, especially where the legislated fees are there—I gave the example of the restaurants. We're only allowed to charge $20. Local taxpayers are subsidizing the establishment of restaurants and the ongoing activities of the restaurants, because the permission to carry on is a yearly repeat of that permission. For example, the health unit has got to go in there and make its determinations, so has the fire department for safety reasons, and our costs are up in the hundreds of dollars, but we can only charge $20.

Mr Sampson: To recover that cost from some other revenue source. Am I out of time?

The Chair: Yes.

Mr Gerretsen: I find this all very interesting. It's kind of like—the chambers come here and say, "We like this bill, but we don't like the powers you're giving municipalities." The municipalities are saying, "We like this bill and we like those powers." The chambers and the municipalities, to be honest about the situation, really better get together on this so we know exactly what it means.

If you are saying, sir—and I used to be a mayor as well, so I know all the parameters. If you're saying it's going to cost you $500 to do a proper licensing of a facility, then I think there should be a news release issued saying, "All right, so that everybody knows, if you want to start a particular kind of business, it's going to cost you $500 for the licence." Then at least the knowledge is out there.

It's a little bit like the way the minister has brought this bill forward. He's basically said to the municipalities, "We're going to cut your grants in half and we're going to give you all this direct taxation in licensing power," and then when he's asked questions about it specifically, "Does it mean they can do whatever they want in those areas?" "Well, it doesn't quite mean that," or, "I'll get a legal opinion that says they can't do this, that or the other thing." Let's at least be honest about the situation. You want the licensing power, I can understand it, but I think the business community had better understand that as well as to what it means exactly.

Mr Joe Young: A couple of comments: First of all, we meet on a regular basis, twice a year, with the chamber of commerce. I started that just a year ago. Prior to that it was very spasmodic. The point is that, as a city and as a council, we work with many organizations within the city. We try to do it on a very regular basis, because I believe we do need teamwork across the whole spectrum within the municipality. It doesn't mean that if we're going to have teamwork everyone has to agree, and the chamber and we on council often don't agree. That's fair enough; I have no problem with that. But to respond more directly to the statement you made, we do publish our fees. People wanting to go into business know what the fees are and they know what help we can give them.

Mr Gerretsen: I'm not suggesting you don't, sir, and I'm sure you as the local municipality feel you're doing a great job. I'm a great believer in local government, but I think what's happening through this Bill 26 is that there are two or three different messages being given to different groups in the hope that not everybody will understand the message that's being given to someone else. You talk about ministerial powers, for example. You know as well as I do that once something is in regulation, you might never see it again.

Mr Joe Young: I said earlier that the business of support is not included in the resolution. The problem is that there are many aspects that I think people do support, including me. First of all, I support the general thrust, which has to do with better government—more efficient, more effective, lower cost—and it's hard to argue against that. On a broad spectrum, I totally agree with the bill—on a broad spectrum. When you get into the bill, there are things you agree with and disagree with, and that was the reason council did not include the word "support." To me, that's sort of fair. What other conclusion can you bring?

Mr Cooke: Thank you, your worship, for coming before us today. I understand and totally support your view that the municipalities, and I would argue the members of the Legislature, need to be involved in reviewing the draft regulations before the regulations become the law. I do have a little bit of concern thinking that you might have faith that that is actually going to happen when you explain to us that it took a couple of weeks to get a copy of the bill.

I notice in the Guelph Mercury on Tuesday, January 9, reporting on your meeting, your city administrator is quoted as saying, "Creech also said, like others, he doesn't completely understand the massive legislation yet but there is little time to have input."

You haven't had a chance to read the bill, your city administrator doesn't understand the bill completely, we couldn't get copies of the bill, and it's very clear from the process that the government's been using that it wants the bill to go through very quickly. If they want the bill through very quickly and they didn't even want to have public hearings, what on earth gives you the belief that there's going to be consultation on the regulations, which are the guts of the legislation?

Mr Joe Young: I didn't say that I had belief we'd be given the opportunity. What I did say was that it is our sincere desire to have input.

Mr Cooke: It's a little difficult to understand how there can be support for the legislation when there are these kinds of parameters around it.

The other thing I want to follow up on is the licensing fees. I appreciate your candour here today, because I would like to have every chamber of commerce that has appeared before this committee in the last few weeks, in Toronto and on the road, hear what you had to say; that, for example, a restaurant that paid up to $20, if it's full cost recovery, could be paying between $200 and $500 for a business licence. There is going to be a holy war between the business community and local councils. The philosophy of this bill is full cost recovery on licences, and if that's what's followed to recover some of the lost grants, there's going to be a holy war.

Mr Joe Young: Let's put it this way: If it is going to be a holy war, and I'm not sure that that's what it's going to be—

Mr Cooke: Maybe an unholy war.

Mr Joe Young: Unholy war. I don't know that I would not welcome that. I believe in getting all the information out on the table. I'll tell you very frankly, in my mind I always come back to the individual taxpayer, and I disagree that an individual taxpayer should subsidize some other activity where someone else is going to benefit.

Mr Cooke: I don't disagree with you. What I would like to see from the business community is, they line up and say, "We support the bill," and what it really boils down to is they support the title of the bill, and then I would like it that they had this on the table and I'd like them to come back and say, "We still support the bill even though some of the licensing fees could be going up by 500%, 600%, 700%, 1000% or more," and then see if they still want to come up and line up here and pledge allegiance to the Tory government.

Mr Joe Young: That's a question you will have to pose to them.

Mr Cooke: I realize that.

The Chair: Thank you, Mr Young, for coming forward and making your presentation.

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STRATEGIC DIRECTIONS COUNCIL, ONTARIO PUBLIC LIBRARIES

The Chair: May I please have representatives from the public libraries of Ontario come forward. Good afternoon and welcome to the standing committee on general government. You have 30 minutes to make a presentation today. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd each introduce yourselves at the beginning of your presentation for the benefit of the committee members and Hansard.

Ms Eleanor James: Good day. Representing the council here today, I am Eleanor James, chair of the Strategic Directions Council. I'm also library director of the Oakville Public Library and member of Chief Executives of Large Public Libraries of Ontario. On my left, Hazel Thornton-Lazier, library trustee, vice-chair of the Strategic Directions Council, currently on the Metropolitan Toronto Public Library Board and past president of the Ontario Library Trustees' Association. On my far left, Jane Watkins, who's a member of the Strategic Directions Council, chief executive officer of the Milton Public Library and chair of the Association of Medium Public Libraries of Ontario.

Our membership constitutes a broad cross-section of public library organizations in Ontario. We'd be happy to respond to your questions at the end of our presentation, and we had a couple of points of clarification to ask of you as well.

I want to thank you for the opportunity to meet with you today, to bring communication from our membership concerning Bill 26.

The Strategic Directions Council was formed in 1992 in response to recommendations in the Ontario public library strategic plan, The One Place to Look. Our mandate as an organization is to "provide coordinated, cooperative province-wide leadership and direction to implement an ongoing strategic planning process and to respond to issues of immediate concern to public libraries."

Public libraries have taken an active interest in the attempts to restructure government. The Strategic Directions Council submitted a brief to the provincial municipal task force in 1994 and we emphasized in our recommendations that, "Any changes to the provincial-municipal relationship which would affect the services public libraries provide to their communities be subject to consultation with the stakeholders most affected, the vast majority of Ontario citizens who use public libraries." A hearing was granted by the Pilkey commission, giving our speakers the opportunity to educate those involved in the study and clarify items important to the operation of public libraries.

In September 1995 the Honourable Marilyn Mushinski, Minister of Citizenship, Culture and Recreation, attended one our council meetings and spoke to the issues facing libraries and the provincial government, specifically the conditional grants, user fees, boards and legislation. Our council coordinated a response to her message and we're here today to continue that dialogue.

In setting the context for today's presentation, which will focus on clauses in Bill 26 concerning library governance and user fees, I put forward to you the following profile.

Public libraries are a universal, open-learning environment for all age groups.

Public library usage continues to climb with collections embracing both print and electronic content.

Public library staff have demonstrated abilities in innovation and in technology, providing one-stop access to information, local, provincial and beyond.

Public library staff understand information management and provide leadership to partners in education, business and community service agencies.

Public libraries are being increasingly used by the citizens to interact with government information, and some of the recent initiatives in this area are to register a business, and that was called Clearing the Path, the environmental registry and the Ontario Investment

Service.

This current state, with public library service playing a critical role in the social and economic health of individual communities, has been advanced by the strong partnership in existence between the provincial government, local library boards and municipal councils. We feel that now more than ever there is a need to guarantee the retention of a strong provincial interest in public library service. While public libraries are municipally based and operated, their scope and outlook are increasingly global. The information needs of library users cannot be met through local resources alone. We rely upon the provincial infrastructure so that resource-sharing partnerships can continue, with municipal libraries serving as entry points into this province-wide information system.

Today we're here to discuss Bill 26, in particular issues raised in sections 8 and 10 of schedule M, which amend the Municipal Act. It's clear to us that a primary focus of this bill is to provide the tools to allow municipalities to restructure, eliminate duplication, increase efficiency and reduce costs. However, in this drive to achieve these necessary goals, the public library community urges your consideration of the following points.

Section 8, concerning library boards: It is our understanding that this section provides municipalities with the power to dissolve or make changes to local boards. It's our further understanding that the municipality will only be able to pass a bylaw to dissolve or make changes to a local board in accordance with yet-to-be-determined regulations made by the Minister of Municipal Affairs.

When the regulations concerning the dissolution of local boards are being developed, we strongly urge you to consider existing library board governance structure and to keep the following points in mind.

Municipal councils clearly have fiscal control over public library service. The current Ontario Public Libraries Act, 1984, clearly defines the municipal/public library/provincial relationship. We would argue that this existing piece of legislation especially delineates the public library/municipal council relationship: Council appoints our board members; councillors sit on each library board; council establishes the timing and form of the budget; council approves the annual operating and capital budgets line by line; council receives the annual audited statement.

Public library boards are excellent examples of effective volunteerism in the province of Ontario: 3,500 citizens in the province volunteer their time and energy to the development of an increasingly complex service that balances community needs, municipal direction and provincial initiatives.

Perhaps the single most important task a library board undertakes is to provide municipal politicians a buffer from issues of intellectual freedom and censorship. Boards consist of non-elected volunteer community members. When special-interest groups question material held by the library, the needs of the larger community can be considered dispassionately by board members. The merits of the request can be assessed without fear of political pressure or later political reprisal. It is vital that this clarity of intellectual vision be protected.

The council questions the need to alter the existing governance structure. The reasons that have been given for change—that is, elimination of duplication, increased fiscal accountability, cost reduction and increased efficiency—don't at all seem applicable in the case of the library board.

The council would therefore like to highlight the following points as the regulation to dissolve or make changes is being developed by the minister: Public library boards are now fully accountable to their municipal councils; public library boards are responsive to their community needs; public library boards are efficient; public library boards play a unique role within their communities by upholding the principles of intellectual freedom and access to information.

If the determination is made to provide an alternative means of governance, offering municipalities choice and flexibility in governance models corresponding to local situations and needs, the council insists that in the interest of the public good, the regulation affecting public library boards must uphold the principles of intellectual freedom and access to information.

Section 10, which talks about user fees, provides broad powers to municipalities and local boards to impose user fees or charges for any service or activity provided by them. The minister has the power to make regulations limiting or imposing conditions in the imposition of fees and charges.

Historically, the wide spectrum of services provided by public libraries have generally been provided using the payment made by the user via taxes. Public libraries now do charge some user fees within the context of current library legislation and as determined by local option.

Many libraries are totally opposed to charging fees. Care must be taken to see that Ontario does not become a society divided into the information-wealthy and the information-poor. This may appear a well-worn phrase, but libraries have identified, in recent letters sent to provincial government ministers, the individual impact fees would have on their particular community.

Many also believe that if additional fees for library service become a necessary or desirable additional source of revenue, some consistency or adherence to basic principles province-wide would be beneficial. If no common ground is established, negative results may be experienced across the province wherein each municipality's locally drafted user fee policy comes into conflict with resource-sharing partners. There is a need for uniformity in the application of user fees in libraries across Ontario to facilitate the creation of an integrated, efficient and productive library network. Our minister has indicated her support for the development of a province-wide standard.

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Our council believes that any additional fee for service over and above the financial support provided by municipal taxpayers must be implemented fairly. Equitable access to information is the cornerstone of a democratic society and of Ontario's public library system. It is central to the public concept of public libraries.

Currently a task force representative of the public library community is working with the Minister of

Citizenship, Culture and Recreation to define core public library services; in other words, what should be provided within the tax base without extra fees applied.

The council strongly recommends to you that the imposition of additional user fees in public libraries be guided via a ministerial regulation and that this regulation be developed with input from the existing task force in consultation with key stakeholders.

Public libraries intend to be of ongoing assistance to government in seeking new ways to safeguard citizens' access to a highly valued product—public library service and its role in a learning knowledge society. We are confident that we can assist with furthering goals set out in the Premier's throne speech:

"Ensure the needs of all Ontarians—urban and rural, east and west, north and south—are accommodated in the delivery of services...."

"Pursue partnerships," "increase flexibility," "empower municipalities," "prevent duplication."

"We have too many children who can't read, too many who can't use a computer, too many children who don't have the skills required for today's jobs."

In closing, before responding to your questions, I would like to summarize our thoughts. In public libraries citizens in this province have something so valuable to their future it must be placed at risk. It is imperative that a clear strategy be put in place before any legislative or regulatory changes are made. We believe it is possible to find solutions that maintain priority services in our communities while respecting the needs of those who govern, those who pay and those who benefit.

AMO, in its submission to your committee, gave recognition that—and this is a quote from their presentation—"the province has a responsibility to set and monitor provincial standards." AMO also pointed out that which is mirrored by the broad representation on our own Strategic Directions Council—and we've listed the membership inside your front page—that there is a "diversity of communities across Ontario."

Working in partnership, we can safeguard what is vital to all. To repeat our recommendation, particularly with respect to user fees where we feel that there is discussion about change, the imposition of additional user fees in public libraries must be guided by a ministerial regulation and not just left to happen by individual free will and be developed with the existing task force and in consultation. Thank you.

The Chair: Thank you very much. We have over four minutes per caucus for questions. We start off with the opposition caucus.

Mr Agostino: I want to talk about a couple of points, one being the issue of the potential abolition of library boards as the power of Bill 26 will allow. I have sat on library boards in our municipal councils and I can tell you that, given that opportunity, subject to whatever ministerial regulations may come for the abolition of library boards and in effect having councils running libraries, would be absolutely devastating to the library system, particularly in the area you've talked about here of intellectual freedom and censorship.

You would then, I believe, have a system that is guided on the basis of political whim and political pressure, the views of minorities, the views of organizations. Writers whose views do not conform with the majority would then be subject, I believe, to action when councils reacted to public pressure. I think library boards in this province have made some very gutsy decisions over the years in withstanding public pressure on the issue of censorship and intellectual freedom, to ensure that there was wide access to all information to people in the community.

If we move to a system, as this bill will allow, that would allow municipalities to abolish library boards, and if those decisions were then made by municipal councils, I think it would be devastating. I think it would just absolutely destroy the intellectual freedom that libraries to some degree now enjoy, because every decision would be based on political whims. It is very difficult to imagine some of the information that would be taken out of libraries, some of the books that would be removed, some of the magazines that would be removed, only because political pressure deemed it to be so. I think that is very, very dangerous. I just cannot underestimate in my mind what it would do to our library system if that happens, as this particular bill allows.

I just want to touch on the issue of user fees. Again, if it is a concept—it's still undefined, as you mention, and that's a concern I share—if the municipalities, with this bill, want to move to the areas of cost recovery, we can then imagine the cost of library services and what that would do, particularly to people who can least afford it and who probably have the greatest need for the resources of a public library because they often do not have many of the private or other resources that people who are wealthy and people who can afford to access those would have. I think, again, you would go after a group of people who probably need the public library system much more than anyone else.

I'd like you to comment on the dangers of both the aspect of councils running libraries rather than library boards and the issue of user fees, particularly on people of lower income who cannot afford, obviously, what will be substantial library user fees.

Ms Jane Watkins: You've been very eloquent and certainly support our position on both cases. I think I'd like to comment, particularly about user fees. Then I'll turn it over to Hazel, and she perhaps would like to comment about library boards.

Presently across the province, we charge minimally for things like programs, photocopier fees, those kinds of things, and we raise perhaps 3% to 5% of our budget in that particular cost-recovery avenue.

It's very difficult to choose how in fact you would impose a user fee to library users. We don't discriminate by format, so it would be very difficult to choose one thing to charge for. I understand there has been some comment about charging for videos because people are willing to pay for them, but videos are also a form of information. You can't choose between formats about how you might go about choosing for them.

The danger in terms of membership fees, which is also something that has been discussed, is there are a large number of people who cannot afford a membership fee, no matter how small it is. If in fact that is imposed, they

will not be library users and they will not have access to information or pleasure reading or anything else.

So on both counts I think there is a danger in charging fees in public libraries.

Ms Hazel Thornton-Lazier: I would like to comment on library boards. I presume many of you have heard many of these things before, but library boards have proved to be very good governance bodies, historically of course. I think this is probably due to the fact that you have volunteers who are dedicated and knowledgeable.

I'm not implying that councillors are not dedicated and informed also, but you do have many demands on your time. We have had the opportunity to concentrate on the needs of the library community and we have proved to be, in the past, a very good buffer between the CEO and the council and the public, and any issues that have been controversial seem to have been solved quite adequately. This has kept you people out of this political arena, and also it has meant that you haven't had to choose sides or perhaps become involved when it comes around to election time again. I don't know whether that's adequately answered your question or not.

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Mr Cooke: I apologize that I wasn't here when you read your brief. I did go through it very quickly and I'll go through it more thoroughly later. I'm trying to cover off being in here and also talking to a few people out there. Let me raise just one point with you and one of the concerns that I have of the whole philosophy of moving to block grants, basically, to municipalities.

There's been a significant decrease in the library grants, the block grants to the municipalities, and the argument would be, "Well then, it's up to the municipality to decide about user fees and how much money they're going to pay on library services."

As a former Minister of Education, I think I came to appreciate the role that libraries play in our communities and in our province to a greater extent than I ever did before, especially when we started doing literacy testing in grade 9 and discovering very clearly from the other research we did with the testing that the students who did the best in the literacy testing were those who were exposed to reading material at a very young age, both by being read to by their parents and in programs in our libraries, having access.

Obviously, low-income families are going to have less reading material in their own homes and are going to rely on libraries, appropriately so, and the programs that are provided. A lot of people, I think, forget there's a lot of programs in libraries directed at kids. Moving to a block grant will mean that we'll begin to have, even to a greater extent, a checkerboard Ontario where the communities that have a lot of wealth, commercial and industrial property tax money, will have thorough and complete library services; those that don't won't. We already have that to some extent in our education system.

I'd just like to get a feel from you as to what you think will be the long-term impact—because I think we've got to think about what Ontario's going to look live five, 10, 15 and 20 years from now—of the approach that's being taken, and then user fees which will restrict access for low-income kids to our library systems.

Ms James: I think libraries have a real concern about money and the limitations on all fronts, even though they've accomplished an awful lot through partnerships with education and trying to put money together to make it go further. There's been a lot of lobbying done about the conditional grants. I think it varies library to library as to the percentage of income that makes up in a library budget. This is why I think in our speech we really emphasized the provincial role, that it helps when there is a Public Libraries Act and there is also money coming from the province to libraries. In some cases it's 50% or more of that local library's budget, in other cases it's smaller, but it's not only through the conditional grant; there is other money that is running agencies. There's an Ontario library service in the north and one in the south. That's a significant amount of provincial money that is helping smaller libraries do the job in the north and in outlying areas.

It's disastrous how some libraries are affected, not just in one way but in various ways, from the different sources of money. The conditional grant coming straight to the libraries helps tremendously to safeguard that.

The Chair: Sorry to interrupt, but we're into the government caucus's time, so I have to let Mr Leadston go forward.

Mr Leadston: If I may, I'd like to preface with a little bit of background. I served 16 years on this local council in Kitchener and 14 years with the regional council, and I served several terms on the KPL library board as a trustee. It's interesting that on page 8 you use the word "imposition" of user fees. Yet from my experience and my discussions, the library systems, both locally and the Waterloo regional library system which services the township areas, had wanted to implement user fees other than the ones you have described, but interestingly enough, the previous two governments disallowed it.

There are many areas that I know the boards are examining in terms of a user fee for services that are provided. Similarly, I've had many comments that most municipalities have a community information centre and all libraries have an information centre—it may go by a different name—and yet they're both funded primarily by the municipality and they both offer the same service. Again, it's a major duplication that has been pointed out to me on many occasions. There have been discussions at the local level and I'm sure there have been discussions at your level. How do you respond to that?

Ms James: Very quickly, on the community information centre, it varies from place to place. In our situation in Oakville, it's run by the library. In other towns, it's very much a social service agency funded from different avenues. So it varies, I think, depending upon the nature of the community. But again, I think the networking through electronic means is making partnerships really come to the fore there in a database sense.

When you're talking about user fees, it's a very complex issue. The library community has been studying it for about 18 months. We know that it's in the municipal sector and being heavily talked about, and there has been an awful lot of work done.

There was a policy conference by the Ontario Library Association done in the fall and this task force that our

own minister has set up. We're hoping that we have some time in the next four months, because we think we're close to having a solution of defining those core services, to safeguard things like Mr Cooke is talking about, and Mr Agostino, what is necessary for the majority of the population. Then if there are some user-driven services that are specific to one area of clientele, some libraries are setting up fee-based enhanced information services for the business community. Maybe the general taxpayer shouldn't absorb that cost; it runs on its own basis. So we're close to finding a solution there.

I think what we find would be disastrous is if the door was opened to user fees in the province for libraries without any rules attached. It could vary community to community. Within Halton, there are four municipalities. We have an awful lot of resource sharing. We have no non-resident fees between municipalities. If we all did something differently, the public would be totally confused I think, and as Jane said, the administrative overhead for some fees just doesn't make sense.

But we're close to finding a solution and we would certainly like the next few months to reach that solution, to satisfy what's being talked about in AMO as well as within the library boards.

The Chair: Thank you for coming forward and making your presentation to the committee today.

WATERLOO PUBLIC INTEREST RESEARCH GROUP
WATERLOO COUNTY WOMEN TEACHERS' ASSOCIATION

The Chair: May I please have representatives from the Waterloo Public Interest Research Group and the Waterloo County Women Teachers' Association come forward, please. Good afternoon, and thank you for coming to appear before the standing committee on general government. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and response from the three caucuses. I'd appreciate it if you'd introduce yourselves at the beginning of your presentation for the benefit of Hansard and for committee members.

Ms Jennifer Newcombe: My name is Jennifer Newcombe and I'm a staff representative from the Waterloo Public Interest Research Group.

Ms Heather Cain: My name is Heather Cain and I'm a volunteer researcher at the Waterloo Public Interest Research Group.

Ms Donna Reid: My name is Donna Reid and I'm the executive director for the Waterloo County Women Teachers' Association.

Ms Cain: As I said, we're from the Waterloo Public Interest Research Group. We are a non-profit, non-partisan organization with a membership of over 13,000 undergraduate students at the University of Waterloo, as well as members of the larger community.

WPIRG is part of the provincial network of Ontario Public Interest Research Group. Our mandate is research, education and action on environmental and social justice issues. We are also a member of the Waterloo Regional Coalition for Social Justice.

If implemented, Bill 26 will have far-reaching and deleterious effects on not only the social sector but on the environment as well. It is of utmost importance that Bill 26 is amended in order to protect and improve the level of environmental protection afforded in this province today.

Economy and environment are interconnected and cannot be separated. Environmental degradation has economic impact. Conversely, improving environmental conditions has direct positive economic impact.

The government purports to be committed to reducing the provincial deficit. However, the cuts they are proposing to several agencies and laws will have devastating long-term effects on both ecosystems and the economy. It is in this light that we will be addressing the changes to the Municipal Act, the Conservation Authorities Act, the Mining Act, the Forest Fires Prevention Act, the Public Lands Act and the Lakes and Rivers Improvement Act. We'll also offer the government some viable alternatives that would save it money without compromising environmental health.

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First, the whole discussion of this bill needs to be put into context.

One of the things we find most offensive about this legislation is the manner in which it was introduced. We have all heard the story about its inaugural reading into the Legislature while opposition members and the media were locked in a room reading the budget statement.

Then there is this convenient exemption from the Environmental Bill of Rights. Under this bill, any piece of legislation likely to have a significant environmental impact, such as Bill 26, is required to be listed on an environmental registry for 30 days to allow for public comment before its passage. The exemption happened because a regulation was passed to exempt bills that would result in the elimination, reduction or realignment of an expenditure of the provincial government from the Environmental Bill of Rights. It occurred the very same day that Bill 26 was introduced into Parliament.

All of this seems to be in keeping with the very troubling trend in this government to eliminate the public from decision-making. With respect to environmental policy in this province, it is a continuation of the government's dismantling of public advisory committees such as the Municipal-Industrial Strategy for Abatement Advisory Committee, the Advisory Committee on Environmental Standards and the Environmental Assessment Advisory Committee, as well as the end of intervenor funding, which costs the government virtually nothing, and the destruction of the Planning Act, which was the product of four years of public consultation with a broad spectrum of stakeholders.

The contempt for accepted democratic processes, the disregard for public knowledge and ability and expertise, is insulting. Ultimately, it results in a government that is weaker and less effective, more out of step with its constituents and, more importantly, less democratic. I find it difficult to comprehend why your government is so afraid of involving the public in the running of this province. In a democracy, public participation is not a

privilege to be meted out at the whim of government; it is a fundamental right.

Amendments to the Municipal Act will allow municipalities to be more readily restructured, thereby facilitating the process of annexation of land and encouraging urban sprawl. Servicing costs as a result of urban sprawl will likely be funded through higher taxes and user fees. Alternatively, Bill 63, the revised Planning Act, if left untouched, would act as a counterbalance to the tendency towards urban sprawl.

The Planning Act includes mechanisms to facilitate the intensification of development. Urban sprawl not only has negative environmental impacts—for example, the development of prime agricultural lands and wetlands—but also has significant economic impacts. The cost to provide infrastructure to outlying regions is enormous and borne by taxpayers. If your government is serious about fiscal restraint, the revised Planning Act should be left alone.

Bill 163 also requires basic environmental protection standards to be implemented on a provincial and watershed level. This makes much more sense than leaving important decisions up to individual municipalities that do not have to consider the effects their activities such as river pollution will have on downstream communities. It is in the government's best economic interests to take a long-range planning perspective and leave the revised Planning Act alone.

Perhaps one of the most devastating aspects of Bill 26 is its de facto gutting of the conservation authorities in this province. For 50 years, conservation authorities have taken on the challenging and necessary role of watershed management in southern Ontario. Their approach to planning supersedes political boundaries and prioritizes ecological protection. In so doing, the conservation authorities have contributed to both environmental health and economic prosperity.

Here in the Grand River basin, among their many activities they play a fundamental role in flood control, water quality improvement, natural areas protection, education, recreation, the design of better agriculture and woodlot management programs, and erosion control. The authorities are losing 70% of their provincial funding within two years. Their activities will be reduced in maintenance and operation of existing flood control structures. No new projects will be allowed to be undertaken; thus even this meagre role in flood control is very limited.

The authorities will no longer be able to levy municipalities for tax contributions, forcing them to rely on the goodwill of individual cities for support. In this region, the current levy is only $5.84, a small portion of our annual municipal taxes. The likelihood of cash-strapped municipalities faced with need from so many other sectors voluntarily giving money to conservation authorities seems unlikely. The authorities are the second-largest landowner in this province after the provincial government. Without provincial support, they will not be able to afford the huge land taxes they currently bear. This may mean the mass privatization and potential development of current recreation areas and environmentally sensitive areas. They are further threatened by the fact that municipalities will have increased power to dissolve the authorities.

The result? We will see an overall decline in environmental and economic quality. For example, in this community, the Grand River Conservation Authority has done much work to improve water quality in the Conestoga rivershed. The river is threatened by agricultural runoff containing pesticides, milk house runoffs and sediments. After the cuts, this river and others like it in this watershed could become as polluted as they were back in the 1940s and 1950s, and it is not just the river that suffers, but the people and animals drinking that water, in the form of higher water treatment costs and the resulting health bills. Taxpayers will undoubtedly pay more to maintain quality of life and the economic system in the future.

If the gutting of the conservation authorities happens in this province, the damage will be irreversible. Once authorities privatize land, it is final. There will be no going back after the next election to re-create what was lost. Without conservation authorities, we lose access to incredible conservation and education programs. We lose much more than that, however; we lose the future-oriented vision of watershed planning, a holistic approach which balances the needs of people, ecosystems and the economy.

Like the Planning Act, the conservation authorities provide a valuable function and their role is irreplaceable. Mechanisms need to be put into place to ensure that they are not compromised to the degree that Bill 26 proposes. The government should review its land taxation policies, as they are currently biased towards development. Before government refuses to subsidize land tax for the authorities, they should consider the degree to which they subsidize corporate expenditures in retail businesses. These should be considered a cost of doing business for those companies.

The Mining Act is being amended to reduce the supposedly burdensome cost of administrating mine closure and mitigation plans. These costs amount to $5 million per year, a relatively small price to pay for prevention and mitigation of environmental contamination. More importantly, mine closure and its regulation and the environmental effects of mining should be assumed by companies as a normal cost of doing business. If mining companies cannot afford these costs, they should rethink their participation in this industry.

Bill 26 eradicates corporate accountability for pollution by halting the requirement for closure plans. Closure plans assess the adequacy of environmental protection and the potential risk of future spills and leaks on a company-by-company basis. Government mining inspectors are being reduced from six to two people. This will further increase environmental risks. The potential for liability suits against the province is huge and it is obvious that the government is concerned about this too. Section 153 is being included to provide broad immunity to the crown for acts or omissions relating to closure plans. This is completely undemocratic and does not contribute to the positive economic restructuring that this government so proudly claims to be undertaking.

Revisions to the Mining Act also obstruct the free flow of information. Information about mine closure plans is being made exempt from the freedom of information act, denying public access. Therefore, public dispute of a corporation's mining practices will become increasingly difficult, if not impossible.

Bill 26 further amends the Mining Act with an exemption-from-liability clause which gives mining companies the option of surrendering their lease to the crown within 12 months of mine closure. This will allow companies to potentially escape liability if they have not been proactive in preventing adverse environmental damage. The crown will now be liable for this cost. I ask you, how does that save us, as taxpayers, money? Bill 26 shifts the responsibility for environmental mining infractions and disasters from companies to the taxpayer. It is better to have the government safeguard the interests of the public and the environment than to trust the uncertainties of private operators, accountable only to themselves.

The amendments to the Forest Fires Prevention Act, the Lakes and Rivers Improvement Act and the Public Lands Act all significantly reduce the number of projects on public lands that require a government permit. Currently, anything from logging to dock-building must be approved. The following activities will no longer require permits to take place on public lands: logging, mineral exploration, industrial operations, clearing, dredging and filling of shore lands. Unless the government enacts regulations for these activities, it will mean an open season for the vast public lands, rivers and lakes in the province. Is this amendment really about the cost of issuing permits? How does that compare with the cost of unregulated logging or mineral exploration on public lands?

1510

The Lakes and Rivers Improvement Act may no longer require a permit for all dams. Smaller ones, including some hydro dams, may be exempt, increasing the likelihood of degradation of fish habitat and streams. If anyone can build a dam without any permission, problems will occur. Will the province seek to underhandedly avoid any liability with a clause similar to section 153 of the Mining Act? If so, we can fully expect the quality of our streams, wetlands and forests to decline. The government must make proposed amendments public before adequate public review can occur.

The revisions to these bills are being done under the guise of saving the province money and streamlining the process. What these amendments really do is facilitate private development of public lands.

In conclusion, Bill 26 represents a leap backwards in terms of environmental protection in this province. Certainly the proposed amendments indicate a serious lack of understanding on the part of this government of the connection between environmental health and economic prosperity.

The potential long-term cost of Bill 26 mortgages the future to pay for the economically flawed idea that beneficiaries of your income tax break will choose to invest in Ontario and not in offshore tax havens and speculative markets. Average Ontarians will again inevitably bear the costs. All this from a government that arrogantly proclaims to be deficit fighters looking out for the future best interests of the people of Ontario.

The Conservatives have introduced Bill 26 purportedly to provide the tools to help municipalities, hospitals, colleges, universities, schools and the provincial government to meet the new financial targets. But clearly this bill goes beyond simple financial savings. Many of the mechanisms in Bill 26 save little money but, more dangerously, ease the regulations for business involved in mining, and facilitate development and resource extraction, all while exempting them from the same standard of responsibilities that individuals are expected to meet. The overall effect is that government is less open, less accountable and less democratic.

It is this government's obligation to act for the long-term good of the people of the province. In this respect, Bill 26 fails. To pass this legislation as is would be irresponsible and unethical. We echo the numerous other individuals and organizations who have called for an extension of these hearings and for further public consultation on this bill.

In closing, we'd just like to thank this committee for letting us register our concerns here today.

Ms Reid: My name is Donna Reid, and I'm here representing the Waterloo County Women Teachers' Association. Our association has 1,860 members, and we are women who teach in the public elementary schools in the region of Waterloo. I am a teacher. I am surprised and I am upset that I'm the only teacher representing here today. It's not that I'm blaming teachers; we tried. In fact, I'm only here today because my colleagues to my left have allowed me to take some of their time.

There's great distress by a number of people at the lack of opportunity not only for teachers but for everybody to come forward as individuals or as groups to speak to you and to tell you how we feel. I consider it as part of my role as an individual, as a teacher, as a mother, as a grandmother, as a citizen and as a taxpayer to let you know what are the ramifications of this omnibus bill that you have put before us, and that's what we've tried to do. It hasn't been a simple task, given the time lines, given the fact that teachers have been on a two-week break. However, I am here today to speak to you.

I think it's important for you to know that I am only one out of the five federations that represent teachers. There are two others presidents sitting in the audience today from the other federations who I'm sure would have loved to have this opportunity to speak to you as well. You can see we represent a number of your constituents here in the region of Waterloo.

We accept, as teachers, that we are role models for our students, and we endeavour to practise democratic procedures within our classrooms in how we treat everyone. It's our feeling that a one-day hearing to cover a large geographical area with such a dense population as it is here is simply not adequate. It is not practising democratic procedures.

As concerns pay equity, since we're a women's organization we're very concerned about pay equity. I want to try to give you a face so it's not just a bunch of numbers but it's a face. One of the other roles I play is president of one of the crisis shelters within our region.

It is the women who are employed in these crisis shelters—and the Women Teachers' work with them quite closely—who will suffer if you remove the proxy method of determining comparators. The pay equity plans that they were able to negotiate will be quashed, and they will not, then, receive what they should in the way of pay. They will always be behind. It seems to me very, very unfair that the lowest-paid women workers in our society would be the ones who have to pay.

Many of the ones before talked about user fees and how regressive user fees are. It's our opinion that user fees just put more obstacles in the path of children, the children in this region who need to have an enriched society, they need to have experiences. The board that I work with has an Even Start program. That's for young children before they come to school, for those kids in our society who don't have experiences, who need to be with other children, who need experiences out there in society. User fees are going to make it even more difficult for those programs to be run and more difficult for individual families to be able to give experiences to their children.

Concerning the boundaries, as an organization we're very concerned that the government intends to exempt the boards of education from the schedule by regulation. It's by regulation that is our concern. We would really hope that you would put it within the legislation. Regulations can be changed easily. So we would prefer that it was really right within the legislation itself.

There's been much discussion around arbitration. I don't think I need to say much more than to say that teachers are going to be subjected to this arbitration as well. It affects the independence of arbitrators. In effect, the government is deciding the parameters of what it is that we can negotiate.

I did put in a section on health, even though this isn't about health, because how can you talk about children in our region, how can you talk about children that are in our schools without talking about health and without talking about the effect that some of the regressive stances you have taken will have upon the children in this region? We know that in the classrooms around this region there are more and more problems as far as health is concerned. This is only going to exaggerate those problems. Those children are going to suffer more and more, and they're the ones who don't have a voice. So they need to have us, as their teachers, as their role models, to come here and to tell you that it will directly affect the children in those classrooms.

In conclusion, we're very opposed to the transferring of power from the Legislature to the cabinet. Of course, we're not the first ones who have said this. In the Legislature, those people we have elected have an opportunity to debate it fully, and we have an opportunity as a society to listen to that debate; in cabinet, it is not so. I've done my part today; our association has done its part today. I managed to get here. I managed to be able to come and talk to you. Now I ask you, will you do your part and will you jointly own the province with us?

The Chair: We have a little over two minutes per caucus for questioning. Not seeing Mr Cooke, I'm going to start with the government side.

1520

Mr Young: Just for the record, although you may be the only teacher group represented today, we have heard from—I'm just counting here from a list I have—eight teachers' unions, and there are, as of the standing right now, another four scheduled to speak. So I don't want you to think that we're not listening or we're not hearing what teachers have to say, because we care very much.

Are you by any chance a member of the Federation of Women Teachers' Associations of Ontario?

Ms Reid: Yes, I am.

Mr Young: We did hear from them. Or the Ontario Secondary School Teachers' Federation?

Ms Reid: No, I'm not.

Mr Young: Or the Ontario English Catholic Teachers' Association?

Ms Reid: No.

Mr Young: We have heard from them. I think that's very important. We do want to hear from teachers. I wanted to point that out before I passed the mantle here.

Mr Wettlaufer: Donna, you mentioned that there was a lack of time to make your presentation to the committee, and I think we appreciate that. The one thing I would like to point out, however, is that we have in the province of Ontario and in our democratic country a form of government called responsible government. The government is responsible to the Legislature.

The public hearings process is conducted in such a manner that there are hearings around the province one day at a time. The previous government only sat and reported to the Legislature 21 days out of an entire year. Our government covered that and more in the first term of office—in the first session, I'm sorry.

The one thing I would like to talk about is your concern about the interest arbitration. It's a fact of life, unfortunately, in the world, not just in Ontario, that we have a financial situation which is very, very serious. I would never want to downplay the role of teachers or firefighters or policemen—I'm sorry, police officers—but it is very necessary I think to keep in mind that we have a financial crunch in the world, and we must keep in mind the ability to pay at all times. We must keep in mind the extent to which services may have to be reduced if the funding levels are not increased. That has to be kept in mind. We do have to keep in mind the economic situation in Ontario and in the various municipalities. We are asking the arbitrators to keep these in mind.

The Chair: Mr Wettlaufer, I apologize for interrupting, but we have to move forward to Mr Phillips from the opposition caucus.

Mr Phillips: I hardly know where to begin. Let me just say to the teachers' group, the area of most concern to you should be the arbitration one. I think this fundamentally changes bargaining for teachers. It very negatively affects the teachers, I think it will lead to more strikes and I think it requires an enormous amount of debate.

Unfortunately, I'm going to have to turn my attention to the other side of the issue, because my understanding is that the Grand River Conservation Authority, a well-regarded organization, does not have an opportunity to speak today. They had a brief ready and were unable to present it. So I'm going to ask you to be a surrogate for the Grand River Conservation Authority.

My understanding of the intent of the bill is that the government said: "We used to spend $34 million on conservation authorities. We're going to cut that down to $10 million. We are only going to fund flood control, $8 million, and $2 million for maintenance of conservation lands." In other words, they're going to dramatically cut funding. Then they're going to say to municipalities: "Now you pick that up, at the same time as we're cutting $700 million from your grants. Furthermore"—to the municipalities—"we're going to give you the opportunity to take control of the conservation authority." As a matter of fact, none of the provincially appointed members are even going to be able to vote when the conservation authority's role is changed dramatically. That's the intent of the legislation, I think.

I guess my question to you, as the surrogate for the local conservation authority, because I think you know it, is what do you think the impact of that might be for the Grand River Conservation Authority?

Ms Newcombe: That's the basis of our concern, and I think clearly that municipalities are not going to be able to pick up the financial responsibilities the provincial government's downloading on them. I know that there are mechanisms within the amendments to the act that will allow the privatization of conservation lands and I think that's what's going to happen. The conservation authorities as we know them will cease to exist in this province.

Ms Cain: If you want an example, the mayor of Cambridge has already said that they can't take over the two conservation authorities there, so those areas will be up, as Jennifer has said, for development. Not only does that impact on environmental quality and protecting environmental areas; it also means that people no longer have equitable access to these areas for recreation purposes.

The Chair: Mr Cooke? Okay, you can have about another minute then, Mr Phillips.

Mr Phillips: I really appreciate that. I look forward to the written brief by the conservation authority as well, I might say.

Back to the teachers' organization: I think one could argue that these are very dramatic changes and they are substantial. In fact, I think this is the next stage of the social contract, this is the son or daughter of the social contract—the arbitration. In fact, one of the bond rating agencies said that the social contract expires in March 1996 but proposed legislation has been introduced that will guide arbitration awards. This is a very important mechanism that could offset the impact of the reduction in grants. In other words, the government is saying to the bond rating agencies, "Don't worry too much, because this process is going to offset the reduction in grants." My question to the teacher organization—I don't know whether you've had a chance yet to debate it—is, do you think this will lead to fewer or more labour disputes within the educational sector?

Ms Reid: I find that difficult in one sense, and I think it comes from the fact that I'm an elementary teacher. It's really, really difficult for elementary teachers to even think in terms of strikes and working to rule, because of the age of the children we teach. We really are loath to have to be reduced to such methods of trying to deal with labour disputes. But undoubtedly I can feel already that there is a wedge that is being placed between teachers and their boards. I'd like to say up front that the board that I've been with for a very long time, the Waterloo County Board of Education, is a good board. It works responsibly and it works well with the teachers, and I think we work well with it. I would hate to see anything happen to that good relationship that we have built up over a long period of time, but it can change, and it can change rapidly. This is one of the things that, along with reductions, the factor of the $400 million being taken out of education, is definitely going to be a cause for some dissension between us.

The Chair: Thank you very much for coming forward today to make your presentation to the committee.

HOWARD GREIG

The Chair: May I please have a representative from the county of Grey come forward. Welcome to the standing committee on general government this afternoon. You have 30 minutes to make your presentation. You may use the time as you see fit; you may wish to leave some time at the end of your presentation to answer questions and responses from the caucuses. I'd appreciate it if you'd introduce yourselves at the beginning of your presentation for the benefit of committee members and Hansard.

Mr Howard Greig: I am Howard Greig. I'm reeve of the township of Sullivan, a councillor for the county of Grey. I'm not representing either of those bodies; I'm here on my own. I'm here to support the government in what it's doing with Bill 26. It's been long overdue. I think they need some verbal and moral support out there. The public did elect this government to make some changes. They have taken the initiative to do it and deserve credit for doing it post-haste. It has to be done. As a councillor and a politician and an active member in the community, I think I can speak for and represent the silent majority out there that feels this is certainly warranted.

1530

Municipalities have now grown up. They're mature brothers of the province. They no longer need the strict guidance and controls we've known in the past. Bill 26 will give the municipalities that right to run their own affairs and see fit as they so desire, and that's the way it should be; that's democracy. If the electorate out there doesn't agree with what the municipal politicians are doing, every three years they won't be there.

It's certainly the right direction for the province to be going in and we do appreciate that. I certainly do appreciate it personally. I've been in politics 14 years and it is the direction we need to go in.

I'm not going to take up the 30 minutes. I'm just here to give my support to the government and their proposals and encourage them to pass this bill as soon as possible.

My one and only area of concern in the bill is with the powers being given to the ministers. I have a little concern with that in that there is a tremendous amount of power being given to individual ministers if this bill is passed as it presently is proposed. I don't have a problem with the present ministers having that authority, but I'd

have a problem with some of the ministers we've known in the past and that we may know again in the future. We never know, but there is a lot of authority there and they could make arbitrary decisions that might be to the detriment of the general public. I would be concerned with that even if it's a grandfathered part of it, because once the government does that once, it makes it fairly simple to do the same again. I would be concerned with that.

The Chair: We have plenty of time for questions and responses. We have eight minutes each. We'll start with the government caucus.

Mr Hardeman: On the issue of control or the power of the ministers you referred to, and obviously coming from a rural county in Ontario, you would have had some involvement with restructuring and changes, could you give us some idea as to whether, without giving control or an end resolution mechanism on the restructuring process, you feel there's a possibility of achieving restructuring without that?

Mr Greig: I think it can be accomplished without the ministers specifically having that power to arbitrarily decide what the restructuring may consist of. I think it can be done with cooperation and discussion among the municipalities involved, and possibly through a commissioner or commission, to do that as is proposed; but for the minister himself to have that authority where he could arbitrarily make a decision, I would be concerned with that, that it wouldn't at least be a cabinet decision.

Mr Hardeman: The other issue is, a number of presenters have mentioned the power of the ministers, but there's also been concern expressed by the power being granted to municipalities, that too many decisions will be made by the local elected officials and they will not deal with those according to the wishes of the electorate. Do you think there's a need to tighten up what the municipality is allowed to do and what types of charges they should be allowed to charge?

Mr Greig: No. I think you'll find the municipalities are quite a responsible level of government, and it's been proven through the last number of years that they are a responsible level of government. The criticism, and I think we all hear it, usually comes from special-interest groups where their special interest may not be getting met. If that is a majority opinion and not a special-interest group, then the democracy will prove that they were right and that the people elected were wrong.

Mr Hardeman: One final question: On the restructuring again, based on your experience and your involvement in Grey county, is there an opportunity, do you see a mechanism that could be put in the plan that would provide more local input, or be more locally driven, as opposed to the ministers' powers that you referred to? What, in your opinion, would be required to be changed to reassure everyone in municipal government that local initiative is the intent?

Mr Greig: I think the parameters and guidelines could be set by the province but the initiative has to be at the local level.

Mr Tascona: I'd just like to ask you questions in two areas: Schedule Q, which deals with the interest arbitration provision—I presume that your county has been involved in interest arbitrations before?

Mr Greig: Yes.

Mr Tascona: What we've heard here is support for strengthening of the interest arbitration provisions in terms of the concern about arbitrators being given the power to award wage increases, which they feel will just be passed on to the taxpayers in terms of tax increases. What is your opinion on the provisions that we've proposed? Do you believe they should be strengthened, and if so, why?

Mr Greig: No. I think the provisions that are proposed are quite adequate. It appears to me the provisions would give the arbitrator the discretion to take everything into account. I think we've all had arbitration awards in the past that the taxpayers have suffered for from that day on. We're still paying and suffering for some of those arbitration awards that were handed out a number of years ago. For the government to initiate something that would guide those arbitrators a little better and help the taxpayers out, I'm in full support of that.

Mr Tascona: Basically what we're putting forth are some mandatory criteria which have to be considered, but there can be other things, other factors, considered also under that legislation.

One other area that we've had concern from, and from both sides—from police forces and school boards and municipalities—has been dealing with freedom of information. On the other side of the coin, we've heard that certain groups don't want that power to be on terms of determining frivolous or vexatious claims being put into the hands of heads of organizations such as yourselves, basically for reasons dealing with accountability and the concern of the freedom of information access. I'd just like to ask your opinion in terms of the approach that's being taken by the government and what your experience has been with freedom of information.

Mr Greig: On the freedom of information, I'm a politician and have been for a number of years and I'm in full support that all information should be available to the public. Quite often there have been too many decisions made in the past that the public wasn't aware of. All the information, through the freedom of information act, should be available. There are very few things that shouldn't be.

Mr Tascona: What we've done is to put it at the local level so that they may be made. Some of the concerns were from the police forces, that they've faced numerous requests on information such as shoe sizes and dealing with UFO sightings and information that cost them in the amount of over $75,000 to go forth and basically deal with an appeal before the commissioner. They like the approach we're taking in putting it into their hands initially, but that they don't have to go through the great expense of preparing for a privacy commissioner appeal. That's the approach we're taking at this time.

Mr Greig: I'm in full support of that position.

The Chair: Mr Sampson, you have two and a half minutes.

Mr Sampson: The other concern on that particular item that's been brought to our attention is that it wasn't felt as though the individual in charge of dispensing the information also should be responsible for determining

whether it's a frivolous request. I guess the concern was that if they don't want to release the information, for instance, about their travel expenses, they would determine it was a frivolous request or somehow manage the fee so that that, by definition, restricted the availability of the information.

Is this a concern that you would share? Do you believe, for instance, as it relates to your day-to-day activities, that somebody else should be making that decision as to whether or not the request is frivolous?

Mr Greig: I can't foresee that being a problem, but I guess there are particular situations where a municipality or a local government may try to hide information through that. I'm not sure what the solution is to that.

Mr Sampson: The privacy commissioner has said: "This is a solution for you. Have the group go and prepare the information, and after the information is prepared and the expense has been absorbed, I'll determine whether or not it's frivolous." I want to ask you whether that solves the problem of the frivolous request. It's not that it's frivolous; it just costs you a lot of money to get an answer that perhaps you shouldn't have had to do the work for. Are you aware of what the privacy commissioner has recommended as amendments to this particular section of the act?

Mr Greig: No, I'm not familiar with that.

1540

Mr Gerretsen: Let me first of all tell you that I come from a municipal background as well. I was involved in a council for 16 years, with eight years as mayor a few years ago, and I'm a great believer in local government.

But let's call a spade a spade. Do you agree with me, from your reading of the act, that there is an attempt by the province to give the municipalities much more power by way of direct taxation? Would you agree that that's so, and that that's the tradeoff?

Mr Greig: Yes.

Mr Gerretsen: Municipalities have been asking for that for years, and the tradeoff is that they're only getting half the grants in a couple of years.

In the discussion you've had with your people in Grey county, has there been any discussion about what kinds of taxes could be imposed as a result of this? Have you talked about a gas tax or a head tax or income tax?

Mr Greig: Not in particular, no—user fees more than direct taxes.

Mr Gerretsen: What the government's trying to say is, "Yes, we're giving these powers in this act, but we didn't really mean it, so we're going to maybe change it a little by way of legislation." Do you think that's a fair way of approaching it, when the act itself in its own plain wording says they can charge a direct tax on just about anything going?

Mr Greig: Maybe each level of government should be given the same level of freedom—should they not?—if we're partners in governing the people of this province.

Mr Gerretsen: Right, as long as that's the message that goes out to people. That's all I'm talking about. I'm saying that at least the same message should go out to everybody so that people out there understand what can happen with respect to taxation. Right now, they're trying to fudge it by saying it's not really as bad as everybody makes it sound.

Mr Greig: I don't think the people have a concern about this. It's certainly not what I'm hearing.

Mr Phillips: I'll just follow up a little on that. I gather from your answer to a question you were asked earlier that the intent of the bill is to give the municipalities unlimited flexibility for fees and taxes because of a belief that the local municipality knows best how to do that.

I just want to be sure I'm clear about your perspective. Certainly the mayor of Mississauga, the chairman of Metro Toronto and I think the London council all believe that the bill does permit them to introduce a gas tax. I just want to be sure that your perspective is that that's right, that your support of the bill assumes the bill does permit, if a municipality wants, the introduction of a gas tax or a local sales tax, that that's your interpretation of the bill because you are supporting the bill; and second, that you are very much supportive of that direction. Have I interpreted your views properly?

Mr Greig: Not being a lawyer, it's certainly my interpretation that yes, there will be new possibilities for taxation by the municipalities.

Mr Phillips: Like gas taxes and—

Mr Greig: I'm not a lawyer and I'm not familiar with what all may be involved.

Mr Phillips: And that's what you'd like to see in the bill too?

Mr Greig: The freedom, yes, and the flexibility.

Mr Phillips: And that's why you're supporting it. I appreciate that.

Mr Agostino: I want to follow up on what Mr Phillips just said, along the same lines. In Hamilton-Wentworth—I spent eight years on council there—the chairman of economic development, Councillor Ross, whose wife is the Tory MPP for Hamilton West, went on record about three weeks ago talking about the possibility of a gas tax, that it's something the municipality would consider and would have to look at as an option.

Along the line of user fees, the Premier went on record in the House before the election, as the leader of the third party at that time, that a user fee in a sense was a tax; that user fees, copayments, whatever you want to call them, are a form of taxation if there's only one taxpayer. Whether it's federal, provincial or municipal taxes, a tax is a tax is a tax. Do you agree with that view of now-Premier Harris that a user fee is a form of taxation and is a tax on people in this province?

Mr Greig: I guess you can play with words all you want. User fees have been around for years and years. Why shouldn't user fees be increased to cover something such as library use? Recreation has been paying user fees for years, so why not level the playing field?

Mr Agostino: In your view, should user fees be there as a mechanism to make up for the shortfall in the 40% cut in transfer payments to municipalities from the province?

Mr Greig: No, I don't see any direction where the municipalities will be picking up that 40%. We're just going to cut back.

Mr Agostino: So you believe that you will increase user fees to some degree but that you're obviously going

to have to make some massive cuts elsewhere to deal with this shortfall that the province has now passed on to the municipalities.

Mr Greig: Yes, the municipalities can make cuts and they're quite willing to make cuts. We've been part of the $100-billion deficit in this province and we're quite aware that we've been sharing in that $100-billion deficit. I think we're prepared to take our share of the cuts.

Mr Agostino: On another line, the area of who makes the decisions for you: You talk about local autonomy and local decisions. Do you believe you should have the power as a council to make the determination on how many firefighters and what kind of fire service you should have in you community, how many police officers and the level of police service you should have in your community? Do you believe you should have the power at the local level to make that decision, knowing the community as you do and knowing the needs in your own community?

Mr Greig: Absolutely. Local politicians are the people who know their needs.

Mr Agostino: Are you aware of the fact that part of this bill will now take that power away from you, that an arbitrator could determine for you how many police officers, how many firefighters would serve your community? Do you agree that that should happen?

Mr Greig: No, the local municipalities should have the authority to determine how many there should be.

Mr Agostino: So you don't agree with that part of the bill then, I assume.

Mr Greig: I'm not aware of arbitrators being given that authority.

Mr Agostino: The arbitrator will have that power based on what the arbitrator may assess as your financial ability—

Interjections.

Mr Agostino: You guys should read the bill. The way the bill is outlined on the power of the arbitrator, the arbitrator could have that power. Ask the police officers who have spoken to you and supported you during the campaign and have told you you've betrayed them as a result of this bill. Ask the police officers and the police association whether they have that power or not in municipalities. This bill will give arbitrators the power on their own assessment, the things you've outlined here, to determine how many police officers or firefighters can serve municipalities across Ontario.

You can't have it both ways. You can't argue that you're going to give municipalities power in the economy and then have an arbitrator dictate to them how many police officers and firefighters they're going to have in a particular municipality.

Mr Cooke: Read the Globe and Mail.

Mr Wettlaufer: Is that where you take the interpretation of the bill, from the newspapers?

The Chair: Order, Mr Wettlaufer. Mr Cooke has the floor.

Mr Cooke: I certainly don't take the interpretation from you, that's for sure.

First of all, let me thank you for coming before the committee. How long have you been on county council in Grey?

Mr Greig: Eight years.

Mr Cooke: I got the impression from your introductory comments that when you were talking about past ministers of Municipal Affairs who gave some direction to local governments, I might have been in that group of ministers.

Mr Greig: I didn't specify Municipal Affairs.

Mr Cooke: No, I just remember that Grey county and I had a grand old time for about two years.

You've had a chance to read through the bill and schedule M?

Mr Greig: Yes.

Mr Cooke: With respect to restructuring governments, because this is something that county councillors and others have felt very strongly about, are you offended at all that this section of the bill only refers to county governments and leaves out regional governments and Metropolitan Toronto in particular?

Mr Greig: No. Regional governments have been through the restructuring proposal. That's why there are 13 regional governments in the province.

Mr Cooke: But there is a lot of talk. Right in this particular region Mr Sweeney is leading an exercise to look at restructuring the region of Waterloo, and the GTA is looking at restructuring. Some people in other areas have expressed a little bit of concern that counties are being treated differently than regions.

Mr Greig: Counties are different than regions, and I don't think this bill precludes regions from amalgamations or annexations or restructuring. I don't see anywhere in that bill it would preclude that.

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Mr Cooke: But they're not covered by the powers that would give the minister the right to be able to do it by regulation?

Mr Greig: No.

Mr Cooke: And you have no concerns about the minister having—well, you said you did have concerns about the minister having that kind of power.

Mr Greig: Yes, I did.

Mr Cooke: You do have those concerns.

Now the taxes and user fees: I listened to AMO and listened to other municipal politicians say they're very happy that they're being empowered. Do you have any concerns at all when you hear Mr Leach say if there's any user fee—and there's provision in the act that gives him the power—or any tax that you implement, he can override you and he will override you by regulation? Do you not see that that's not really fully empowering you, that you can be the evil person to bring in the user fee and he can be the hero by saying, "No, I'm going to stop you from doing that"?

Mr Greig: I'd be concerned if that was to occur.

Mr Cooke: It's in the bill.

Mr Greig: It hasn't occurred, though.

Mr Cooke: It hasn't occurred because the bill hasn't passed yet.

Mr Greig: I realize that.

Mr Cooke: You have to wait for the bill to pass first. Do you have any concerns that in the bill it says that municipalities are going to be empowered to eliminate a

whole series of boards, but the minister has said that by regulation he's going to prevent you from eliminating a number of boards?

Mr Greig: There are particular boards that the minister is concerned that municipalities should maybe not have control over, yes.

Mr Cooke: Which boards would you feel you shouldn't have control over?

Mr Greig: I'm not sure there are any boards that the municipality shouldn't have control over.

Mr Cooke: So you have concerns about that section of the act too, and the power that the minister has there?

Mr Greig: Not in particular.

Mr Cooke: It's been a long-standing request of municipal councils that they want to have control over police budgets, and I gather now the Solicitor General is going to review police services. But there was a very firm commitment, and I'm gathering from your presentation you would be very familiar with the Common Sense Revolution—do you have concerns that when the government is saying, "We're going to empower local councils, but when it comes to police services, we've made a commitment in the Common Sense Revolution that police budgets and the justice system can't be reduced," that is really not partnership, that's not really empowering municipalities because you're not going to be allowed to decrease police services because that's a commitment that they've made in the Common Sense Revolution?

Mr Greig: I think we have to cross that bridge when we get to it. I haven't seen that as a problem.

Mr Cooke: But you might, you might.

Mr Greig: We might. I think you'll find municipalities very responsible.

Mr Cooke: Mr Chair, I think that the presenter has made himself very clear that he has total and complete confidence in this government. Maybe we can get together a year from now and see whether that confidence still exists.

The Chair: Thank you for coming forward and making your presentation to the committee today.

Mr Greig: I appreciate the opportunity.

GREY ASSOCIATION FOR BETTER PLANNING

The Chair: May I have the Grey Association for Better Planning come forward, please.

Mr Peter Ferguson: I think you've all got copies of my brief. I intend to read it. Feel free to follow along in the written material, but I'll be saying exactly what's written.

Am I right in thinking that this is the government side and this is the opposition side?

The Chair: That's correct. Mr Ferguson, welcome to the standing committee on general government. You have 30 minutes today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to field some questions or responses from each of the caucuses. I'd appreciate it if you'd introduce yourself and your organization at the beginning of your presentation.

Mr Ferguson: Glad to be here. My name is Peter Ferguson. I'm president of the Grey Association for Better Planning. I was glad to see that we've got lots of representation from Grey county this afternoon. I'd like to thank the government for making this opportunity possible and I'd like to thank the opposition for making this opportunity possible as well. We're glad to be here to talk with you. I'll just read through this. Feel free to refer to it on paper, as I say, and we'll talk about it when I'm done.

The Grey Association for Better Planning was formed seven years ago by citizens of Grey county who could see that the social, natural and economical health of the county had been endangered by a series of ill-considered planning decisions at the county and local council levels. Grey county had, and has, a fine official plan, but its intentions were being thwarted by elected officials making planning decisions contrary to it and their own staff's advice. We banded together, met with local politicians and sought the assistance of the provincial government in ensuring that municipal planning commitments were met.

Since that time the scope of our efforts has expanded. Rather than acting simply as a watchdog, we have grown to provide education, advice and assistance on planning matters throughout the county and elsewhere in the province. We have been participating in developing Grey's new official plan and have conducted a variety of workshops on allied issues such as water-taking and aggregate extraction.

During this development, we have come to see planning as a dynamic process. There's no such thing as a plan which is good for all time. Planning activity is cyclical. You determine current conditions, make your best estimate of future eventualities, determine your plan for action, use it over the period of its effectiveness, and then sit down again to reassess how things went and make revisions for the next period.

This sort of process is essential for the success of any future-oriented activity, whether it's deciding the family's household budget or projecting the operations of Microsoft over the next decade. In our work at the municipal scale, we've come to see that effective land use planning has two primary requirements: first, accurate, detailed, pertinent information, and second, effective democratic systems.

The first of these we call product—the hard information we deal with and produce in any planning activity. The second is process—the ways we work together on the product. No planning activity can be successful if either part is weak. If your information is faulty, the plan will be defective no matter how well you work together. Similarly, no matter how good your information, if you can't work together your plan will never be satisfactory. Only good product, dealt with through good process, will produce good product for reassessment next time, and so on—an effective, dynamic cycle, which brings us to why we're here with you, an effective, dynamic government.

We don't imagine you've had a lot of people coming in to congratulate you on this bill. These meetings are usually opportunities for people to blow off steam, and you've probably had a lot of that. The bill's had a great deal of bad press and we were quite worried about it. But having perused it over the holidays, we found only a couple of things under the rubrics of product and process

on which we think we can give you some useful advice.

Under product, we ask you to save the conservation authorities. If we are to maintain this province's ability to compete, we will have to ensure that our infrastructure is maintained and enhanced, and we should be investing in the means of doing this. The present bill acts to undercut, and envisions the disappearance of, our conservation authorities. In our work on municipal planning, we've found that these authorities play an irreplaceable role in providing information on systems which span municipalities. They are the only institutions in the province which can provide planning guidance on a watershed basis. Without them, we'll lose the future capability of planning at that scale which lies between the municipal and the provincial.

I work as an architect, and much as we like clearing the decks and designing striking new buildings, it has become clear over the last decades that reuse and refurbishment of existing buildings is almost always more cost-effective. You simply cannot build anew at anything like the cost of buying and improving. This principle applies not only to the physical world but to that of institutions. Our conservation authorities are existing assets. To destroy them means that they will never be replaced. The cost of starting over again will be prohibitive.

It may be thought that there are enough agencies that can take up the slack, but we would urge you to look beyond the present bill to consider a variety of other government initiatives which have similar effects.

Revisions to the Planning Act: Exempt municipalities from adhering to provincial policies; assign planning approval authority to counties with inadequate official plans; forbid ministries other than Municipal Affairs and Housing to appeal planning decisions to the Ontario Municipal Board; restrict public input to the planning process; reduce the number of required public meetings; limit public appeals to the OMB; and eliminate public meetings for the approval of housing subdivisions.

Changes to the environmental assessment process: Reduce the authority of the Environmental Assessment Board; exempt solid waste disposal sites from approval under the Environmental Assessment Act.

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Changes to the environmental assessment process: Reduce the authority of the Environmental Assessment Board; exempt solid waste disposal sites from approval under the Environmental Assessment Act.

Reduction of the Niagara Escarpment Commission: Cut its funding by 30% beyond the previous cuts; eliminate its capability of appearing at OMB hearings; reduce operations to the point of eliminating the NEC as a viable institution.

Devolution of the conservation authorities will add to this list: ending the management of water resources on a watershed basis, ending rational flood control and prevention, and ending effective land and water conservation programs.

Together, broadly then, these changes will ensure that effective information from many sources—what we call good product—is lost to us, and with the elimination of the conservation authorities and similar agencies, probably lost forever, because these cannot be replaced.

This isn't simply a matter of letting the environment ride because we're in economic hot water. The economy is not separate from the environment; it's fundamentally dependent upon it. One need only look at eastern Europe over the past half decade to have this made indelibly clear. Our hearts all rose when Communism was sloughed off in favour of free-market aspirations, but achievement of that glorious potential we now recognize is decades away if possible at all. Why? Because the old regime rejected the need for environmental planning in favour of economic development. And now freed citizens have once more become prisoners, this time to a destroyed infrastructure. We must be conservative. We must conserve our habitat and conserve our institutions, so that we may prosper by them.

Under process, we would ask you to maintain provincial and municipal accountability.

Our response to the proposals for municipal restructuring is more ambivalent than to those for the conservation authorities. We believe it is high time there was a redesign of the municipal system, for in planning work we become aware of some of the weaknesses in the organization of our present democratic system.

But just as wee the downgrading of conservation authorities leaving a gaping hole in the middle scale of information generation and use in planning, so we believe that your proposals for municipal restructuring will cause a polarity in the scale of government which will operate against the interests of citizens as we try to plan our futures.

At present, the municipal-provincial system comprises three strata: Firstly, the Ministry of Municipal Affairs governing municipalities through the Legislature by stated policy; secondly, upper-tier municipalities carrying primary responsibility and maintaining sufficient resources for planning; and thirdly, lower-tier municipalities being assisted by and required to respond to both upper levels while providing local planning refinement.

If the changes you propose go ahead, we will be left with only two layers: (1) The minister of the day, who may govern by fiat and at whim and need not govern at all, and (2) A single tier of municipalities which, if too large, may provide insufficient local sensitivity in planning or, if too small, will likely have insufficient resources available to accomplish effective planning.

By all means, let's streamline the municipal system but let's also ensure that: The provincial government maintains its authority over municipalities; the province acts in an open, democratic manner with its rules and regulations available to all and determined by legislative vote; municipalities remain responsible to the province for their performance; and redesigned municipalities are given sufficient resources to provide effective planning.

In conclusion, then, there are two ways in which we want you to improve this bill:

(1) Eliminate the changes to the Conservation Authorities Act. Do not let our children be able to say that we destroyed their economic resources the way the Communist governments have destroyed eastern Europe.

(2) Ensure that the Minister of Municipal Affairs and other ministers are accountable to the Legislature for their actions, and that municipalities are redesigned effectively.

Ensure that our children can never look back and say that in 1996 we concentrated power in the hands of the few the way the National Socialists did in the Reichstag in the 1930s and let local governments waste away.

Communists, fascists: These terms have been bandied around, perhaps too frequently and irresponsibly in the last few weeks. We believe that you intend to be true conservatives, to conserve our institutions, conserve our democratic system, conserve our habitat, and conserve our children's futures and, in being Progressive Conservatives, to improve on them all.

Please withdraw this legislation and make the changes we advise. Provide your constituents sufficient time and information to be able to assess your proposals and advise you on their acceptability. Governance in a true democratic society is not a matter of us and them; it's a matter of us, all of us, working together to develop solutions on which we can all agree. Do not feel threatened by an informed, active citizenry. We all share the same aspirations of health, freedom, prosperity, and we all want to work together freely to achieve them. We're here to help. Please let us.

The Chair: Thank you, Mr Ferguson. We have a little less than six minutes per caucus for questions. We start off with the opposition caucus. Mr Gerretsen.

Mr Gerretsen: I just have one comment, sir, and that is with respect to your comment on page 2, "This exempts municipalities from adhering to provincial policies." I'll tell you, the little that I know about this situation, this is probably one of the toughest things to get through because the ultimate power that the province has in a lot of these areas is usually through its policy statements, as you probably well know in the planning area, and to suggest that municipalities ought to be exempted from that—it may be a good thing; I'm not suggesting it's not, but I think that you'd almost need a totally new revolution within Queen's Park to ever see that happen. I think what this is really all about is control, isn't it, and I think the province always wanted to retain control over situations. I don't think you'll ever see that exemption.

Mr Ferguson: You don't think we will? That is precisely what the proposed changes to that act—if I can talk off topic there for a while. That's precisely what the changes to the Planning Act proposed by the government imply, that the policies will exist, but the municipalities only plan in regard to those.

Mr Gerretsen: Only have regard to them, yes.

Mr Ferguson: Yes, which means that they need do nothing.

Mr Gerretsen: Except, of course, in this particular act there are some heavy regulatory powers that are given not only to then Minister of Municipal Affairs but also to—not specifically in the planning area, but my comment was more as a general comment, sir, that generally speaking I think the notion that a cabinet minister will give up those kinds of provincial policy statement mandates, if I can put it that way, I think simply won't happen.

Mr Ferguson: Yes, quite so. This current bill that we're discussing now puts in the minister's hands ultimate power, unalloyed power—

Mr Gerretsen: That's correct.

Mr Ferguson: —power for which there's no accountability.

Mr Gerretsen: Yet it's under the guise that a lot of these powers, not only to this minister but to other ministers, are being given to the community at large, but I think what most people don't realize is that through regulation there's always this power to claw back whatever they want at any given time.

Mr Ferguson: Quite so.

Mr Phillips: Your advice on the Conservation Authorities Act is very useful. The government has said: "Listen. We're going to slash our support for conservation authorities. We fund them to the tune of $34 million right now. We're going to cut it to $10 million." That's a given. It's a done deal. It's finished. But then they're going to say to municipalities: "But maybe you'll want to pick up the slack and take over. We recognize we've just cut your grants by 48%, but maybe you'll want to pick up this additional burden."

Frankly, I think it puts municipalities in a bind because they're going to have difficulty enough maintaining services that they were providing before. So I think effectively what they've done is they've choked off the source of revenue for conservation authorities. They've said, "Go to the municipalities and find more money from them" at the very time when municipalities, I think, are going to be extremely hard-pressed to survive.

So I gather from your comments that your belief is that if this bill proceeds the way it's written and the conservation authorities as you know them are done.

Mr Ferguson: That is the undertone, and certainly one of the specific elements of the proposals under this bill is that provision be made for the dissolution of the authorities and we think that that's envisioned and being worked towards.

Certainly we agree with you about the problems of the municipalities managing the work of the conservation authorities. In fact, under this legislation the municipalities are able to undertake only flood control and not flood prevention. Historically, over 50 years, we've learned that the best way to control floods is not after the fact but before the fact, to take measures to work with the landscape in such a manner that it doesn't produce floods. This legislation permits municipalities to take action only when there is a problem. So not only are the costs being devolved to the municipalities, but there's insufficient money and insufficient scope of work being provided under this legislation to maintain the system we now have.

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Mr Phillips: Just to give us a flavour of how important—because I appreciate this is perhaps the core of what your group does, the planning—

The Chair: I'm sorry to interrupt, but we've just now come to the end of your time. We have to move into Mr Cooke's time.

Mr Cooke: Very briefly, I just have a couple of comments really. First of all, I appreciate your presentation. I think that it's very focused and very well-thought-out. I agree with your concerns about conservation authorities, but I guess what I see this bill—and I think

we've made some reference to the new Planning Act. In many respects, I think the new Planning Act is part of this whole deal.

The deal that was struck coming out of the economic statement, budget, whatever you want to call it, the omnibus legislation and the Planning Act, was a deal with some in the municipal sector that: "We're going to cut back your grants in a huge way. We're going to put together some of the other odd dollars into block grants and no longer have targeted grants." Basically, some of these things local politicians have been asking for for a long time; some of them I disagree with fundamentally in terms of the different roles that the province has to assume and that the municipal governments have to assume.

It may not be popular to say to municipal politicians, but municipal governments are established by legislation by the province to carry out some provincial responsibilities at the local level. You're not supposed to say this, but it's true: Municipalities are creatures of the province. Therefore, the province has a very important and specific role: to oversee the role and responsibility of municipalities, whether municipal governments like that or not. They're not a constitutional level of government; they're part of the provincial government.

I think what has happened here is that in order to quiet down the opposition from the municipal politicians about the cut in grants, a deal was struck that: "We'll give you things: constrictions on arbitration; we'll give you the block grants. We'll do something to conservation authorities. We'll do something in the Planning Act." Unfortunately, I think it's a very shortsighted approach, but a lot of the municipal governments have decided to buy into this.

Conservation authorities, as you know, have been an irritant to some local politicians for a long time in the way that they operate. I can only look at my own community. If they didn't have the role for—you specifically referred to flood prevention. Down in Essex county flood prevention is extremely important. The work that's been done down there after a couple of major floods has saved millions and millions of dollars in preventing floods that would have occurred if that work hadn't been done.

So I guess what you've done for me is clarified some of the longer-term impacts of what we will all experience down the road if there aren't some very substantial changes in this particular piece of legislation. I don't think any of us on this committee, no matter which political party we belong to, are advocating the status quo. We didn't get elected to say that everything should always remain the same. Of course there's got to be change in a democracy and in a vibrant society. But that doesn't mean that this kind of change is good for the province, almost turning back the clock in the way that we have operated.

So I don't have a specific question for you. I just wanted to say that I think what we've got here is a deal that's been struck with the municipal sector, and I don't think it's a deal that's going to operate in the interests of people, the environment or the long-term interests of the province.

Mr Ferguson: Certainly that's our concern, that this may be seen by itself and in the short term to be of benefit to some sectors of society, but in the long term and in the context of everything else that's happening we'll very greatly run the risk of environmental and social and economic degradation flowing out of that.

Mr Hardeman: Good afternoon, Mr Ferguson, and thank you for coming in. I just wanted to go to the restructuring part. Obviously we all recognize the need for change in governance. I think Mr Cooke just mentioned that the status quo is not an acceptable alternative.

I wanted to go to the restructuring section of schedule M. You mentioned in your presentation that following this bill we could end up with a minister from the provincial level who does the governing over a single-tier government. What part of that section suggests that we're talking, or that the act is recommending, single-tier government? Could you explain and clarify that for me?

Mr Ferguson: The provisions for the minister establishing a commission for the restructuring of municipalities. We believe that streamlining municipal government implies single tier. We're not against that. We're probably in favour of it. What we're trying to do is draw your attention to the possibility that those single-tier municipalities may either be too large and thus unresponsive, or too small and thus incapable of effective action.

Mr Hardeman: I thank you very much for that answer. Going on on the same topic, looking at the present process to go through a restructuring process, again recognizing change, there is nothing except we can have local negotiations and then the local municipalities can ask the minister to appoint someone to look into it, or the minister can see that there's a problem and he can prepare legislation and put it through the Legislature with a majority government without ever asking the local citizens.

The two differences between this and what presently exists is that there is a process to follow which gives the local municipalities an ability to start it for themselves or to come up with a local solution and ask the minister to implement that, or if there is not a total unanimity of those municipalities, to ask the minister to appoint a commission or commissioners to look into that. Having reached that point, of course, the implementation of the plan is by regulation as opposed to legislation. I guess that's where your presentation differs from the legislation, that you feel that should carry on in legislation, that it would be implemented by legislation.

Mr Ferguson: Hopefully, yes. The provisions of the proposals permit, as you say, municipalities to make presentation or request for restructuring. We're a little concerned that neither the Legislature at the provincial level nor the citizens at the local municipal level are envisioned as having any participation in this process. It's between minister and municipality. The rest of the Legislature and the rest of the citizenry of these jurisdictions are not envisioned as participating. We would think that anyone who is a member of a local government would be wanting—hopefully they will—to get local input and local participation, but it's not required and as Mr Cooke was saying, probably should be requiring that.

Mr Hardeman: From your perspective of the choices, one or the other, which in your opinion would be more important, mandating local involvement in the start of the process or the Legislative Assembly debating it for a day or two days at the end of the process? If we only had one or the other, which would be your preference?

Mr Ferguson: I can't say that I would accept one or the other. We have to do both. We have to have provincial authority and we have to have local accountability and local responsibility.

Mr Hardeman: I recognize that but the present system does not have the first one where you have public participation, I guess is my point.

Mr Ferguson: No. Progressive Conservatives, let's improve them, we can do better than is being done now.

Mr Hardeman: In governance, just a question on the municipalities: You mentioned the size of a municipality, that in a single tier it may be too large and unwieldy to be effective. Do you have any suggestions on a size that would not be—recognizing that even if it's single tier it could be any size. Hypothetically, we could just remove the upper tier presently and leave all the lower tiers as they presently exist if that was the local wish. Do you have any suggestions on what would be appropriate?

Mr Ferguson: It's really difficult in these matters to come up with a single number, whether it's numbers of people, numbers of dollars, numbers of square miles, which will act as a useful guideline throughout the province. In a lot of discussion about provincial planning, there's been a lot of sentiment that there should be local solutions to these problems.

My hope would be that in every jurisdiction we sit down together, which is what I guess we're proposing, and try to determine with what we've got what makes most sense in our jurisdiction, whether it's in Grey county, whether Owen Sound's in or out, whether we're in four pieces or three pieces. It's all dependent on the variety of social and physical requirements. I can't say what an effective average size is going to be until we have them all and we know. And we'll run into problems in trying to determine that.

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If we really step back and try to redesign the municipal system, we have to begin to look at these historic borders, which make no sense other than to surveyors, to begin to look to our watersheds, look to our economic system, look to our transportation system and begin to define new borders which are exclusive of the old borders. If we're going to do it, let's do it right. The first principle is to figure out what really exists now, redraw the lines according to that and try to get rid of as much history as we can.

The Chair: I'd like to thank you, Mr Ferguson, for coming forward and making your presentation to the committee.

Mr Ferguson: Is that it? Is that half an hour?

The Chair: Yes, sir.

Mr Phillips: That's all there is.

Mr Ferguson: Thank you very much for having us.

CANADIAN AUTO WORKERS, LOCAL 1451
UNITED STEELWORKERS OF AMERICA, LOCAL 677

The Chair: May I please have representatives from CAW Local 1451 and USWA Local 677 come forward. Good afternoon, gentlemen, and thank you for coming today to appear before the standing committee on general government. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for response and questions. I would appreciate if you'd both take the time at the beginning of your presentation to introduce yourselves for the benefit of Hansard and for the committee members.

Mr John Coleman: My name is John Coleman. I'm president of CAW Local 1451, which represents approximately 1,500 members at Budd Canada.

Mr John Cunningham: I'm John Cunningham, Local 677, USWA. I'm the president of that local. We represent 900 members.

Mr Coleman: I'd like to basically just generalize over the bill. I'm sure some of the speakers I've heard or the presenters I've heard have gone into specific areas, but the standpoint I'm coming from is really, I suppose, the autocratic and dictatorial way in which this bill seems to cover everything. That's basically where I'm coming from, so I'm generalizing on Bill 26 in general.

In generalization, this bill could drastically change the way people have received services and dealt with issues within their communities in the past. If and when this omnibus bill is passed the government, and in some situations the municipal government, can arbitrarily close hospitals, restructure communities, dictate where physicians can practise, establish fees for services, introduce new taxes, privatize health services, deregulate drug prices, limit access to government documents, and collect and disclose patient information, just to mention a few.

This arbitrary power is considered by its proponents as a necessity for the government to carry out its mandate. They give the impression that it will only be used if necessary, and that in many cases there will be debate and consultation within the Legislature and with the public.

One of the government's campaign promises—they always seem to be telling us they're only doing what they said they would do—was less government intervention. It is now becoming apparent that they only meant it in terms of the reduction of resources available, and deregulation and privatization of government services from a cost-reduction point of view only. They did not mean it from the perspective of centralized control and management over decisions that they deem to be in the interests of their agenda. Obviously, for them this kind of intervention is okay.

I'd just like to interject here that the gentleman who was up here from Grey county seemed to be comfortable with you people having that kind of power. I don't care what political stripe you are; I don't think any government or municipality should have that kind of power, no matter who they are.

I do not think that the majority of the 45% of Ontarians who voted for this government expected them to

remove their democratic right to debate through our Legislature or public forums such as this so that they be given the opportunity to have some influence on the decisions that affect them. No matter which way you cut it, arbitrary decision-making in the hands of a few becomes autocratic and can eventually lead to dictatorship. Until proper, and I emphasize "proper," consultation is conducted with the people directly and indirectly affected by these changes, Bill 26 should be rejected in its entirety.

Many of the issues addressed in this bill have evolved over a period of time. There are obviously reasons why they were initiated. You cannot expect people to accept changes through arbitrary decisions. Change has to come through consultation and debate. People have to understand why those changes are being contemplated. Purely financial reasons should not be the ultimate criteria. There are other ways to achieve efficient and cost-effective programs, not just by cut-and-slash methods.

When we reflect on the actions that this government has implemented since it has been in power, everything has been forced through the Legislature with as little debate as possible. Even for this bill, they did not want the process we are participating in today. They had to be shamed into establishing these hearings. Hopefully, some of us who are presenting at these hearings will have some influence over the outcome of this bill. My sense is that to the majority this is a just a formality that they felt they had to implement and that subsequently there will be very few changes.

In closing, I wish to bring to your attention what I believe to be the scariest thing about this bill: that once it is passed, individual ministers, even without the knowledge of their own cabinet or caucus, will have far-reaching decisionary power, and on top of that any of those decisions that may have any legal connotations can be made without any repercussions to those individuals because they are given immunity from prosecution through amendments made in this bill to certain acts.

Think about this for a while. How many of us can make these decisions with the knowledge that we will not be made accountable through due process within the organizations we work for or are affiliated to? My guess is, very few of us, and rightly so. I appeal to all of you to give serious consideration before you give consent to this bill, and that is including you in power.

Mr Cunningham: Thank you for the opportunity to present and thank you to CAW Local 1451 and John Coleman for sharing their time today.

Our local, in its 35-year history, has had its factory bought and owned by carpetbaggers, stripped by corporate raiders and currently is owned by a company that could be considered a corporate cult by even the most right-wing businessperson. Through this, we have maintained a viable, flexible workforce with only one strike, for seven days, in 35 years. Yet in Bill 7 you would tell us our business and tell us that we must have secret votes, which we already have, yet you would carry on your votes in secret and your mandates in secret.

We have suffered through, in that 35 years, seeing the closure of the Strange Street plant throwing 1,400 people out of work. This local's historical ability to negotiate has kept a thriving business in this community when much of the rubber industry turned its back on Canada. So who's closed for business?

It's strange to see the Conservative government using closure legislation from the end of the NDP governance that they hooted and hollered about as the third party. I remember that the opposition members insisted this was a horrid abuse of power, that the NDP passed that legislation but never did use it. But it would appear that after reflection you enjoy power so much you created Bill 26 to round out that stable that Bill 7 started.

I will concentrate on some issues that John has not; however, everything John has said is the true common sense.

Schedule K: In society today, we all must sign away the ability for others to check the validity of claims that we would make in insurance, illness or accidents; we must sign and allow a full disclosure to justify our claims.

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Sometimes the investigations could be considered to be frivolous or vexatious; however, we recognize it as a check and balance, not nice when it's aimed at yourself, but necessary just the same. Our local has survived frivolous and vexatious inquiries and investigations from different government institutions and individuals. While being exonerated from wrongdoing, the experience has drained us financially and stressed us out. But we still recognize the right of those individuals and those institutions to inquire and challenge us on the rightness of our decisions.

We, as a union or as individuals, have the right to question you. To take away or weaken that right is clearly wrong. This government has already demonstrated a deaf ear on input and is busy collecting legislative power to make it a government whose actions are only by decree. The Information and Privacy Commissioner, Tom Wright, says measures would threaten the fundamental right of the people to know what is happening in their government and, further, that new fees will deter people from seeking out information.

From schedule G: When in opposition, you also screamed at the minister in power then for reviewing private health information, yet you now want that power. This is the omnibus oxymoron of the day. Like good politicians, you're speaking out of both sides of your mouth, which even Jean Chrétien avoids. At this rate, the government is moving with scorched earth policies that grab at concentrated power from lower levels of government at a time when the federal government is weakening federalism.

The freedom of information is a right to be protected at all costs. If your actions are so correct, then do not hide the light of truth is under bushel basket, but hold it up to the light for all to access and all to see.

Schedule L: It would be easy for our local, with no immediate effect to us, to overlook these parts of the act. Our local has been successful in returning $1.4 million in pension surplus wrongly taken from our members and also instrumental in returning $750,000 to Local 73 United Steelworkers of America members here in town. Our contract in 1991 was forced open under the threat of

closure. These changes are an outright announcement of not honouring contracts and will strip public employees of pension rights that were duly bargained for at a time other benefits areas were ignored. They could have made other gains instead of pension enhancement. If you can't honour contracts with your employees—and they are your employees—who could trust you in a normal business affair?

Cruelty is making schedule L retroactive to January 1, 1993, the day the OPSEU plan was established. This is the second bum's rush on the OPSEU plan, as a court challenge on the specific terms of sponsorship agreement between OPSEU and the government by judicial review was successful. The override of funding on the commuted value or upon full or partial windup or upon termination robs those people of the benefit that their moneys could have earned elsewhere.

The Pension Benefits Act of Ontario provides for grow-in provisions that are just and right for a lifetime of service. Factoring now would also appear to be out the window. The override of schedule L will extend contractual rating "tools," as you optimistically call them, to pension plans for government of Ontario employees, GO Transit, Liquor Control Board of Ontario, Ontario Housing Corp and OPP officers. You're trying to go through the back door. Why would OPSEU plan members or members of the public service pension plan, in the face of this union genocide, practise anything but civil disobedience?

Bill 26 will exempt those acts from grow-in or unreduced pensions. The override of bridging benefits further denounces any thought of fairness. This schedule is highway robbery, along with Bill 7, and future legislation during your four years left. It is clear that our democratic state is for sale, and that is not the same as being open for business.

I was in the demonstration at the OFL that was turned away from Queen's Park and it's paramilitary buildup of some 16 prison buses, a mounted squad, a riot squad, indeterminate and plainclothes policemen. They were there in our honour, and we went peacefully on to Bay Street. It's this government that's spoiling for a fight, not labour. Labour was contractually open for business. You are dismantling the economy at a time when a global downturn threatens to turn into a full-fledge depression in Ontario with your push.

Schedule Q: People said that we in the private sector are whining over the new labour bill. This legislation will destroy the collective bargaining system, and both Bill 7 and this schedule complete the full circle. I'm sure the destruction of the pension statutes for all will be mirrored in legislation in the near future. You're using the Chicken Little syndrome of "The sky is falling" with the deficit to sell off the province. You're not brave enough to face the effects of your legislation, but instead propose laws that you call "tools" and allow anyone but yourselves to take the brunt of this upheaval.

Schedule M: This is wholly unacceptable and will take weeks to treat properly, as this whole bill will. The conservation authorities, which the previous man talked about, will be slashed by 70% yet are hamstrung by the fact that they cannot levy more. Be careful now. You want to impoverish us, overencumber free union affiliation, weaken health care to be unrecognizable, except to the extent that it will look like an American system. But unlike Marie Antoinette, who at least would have allowed us to eat cake, you'll leave us unhealthy, in the dark and in low-grade excrement just like a mushroom, and expect the economy to flourish. What is the plan for the next four years, with the economy dropping through the floor globally?

There's too much to comment, and all these comments are against your bill. This local phoned for standing as early as December 12. I understand there are four schedules. If you look upon the order of schedules, originally there was an open slot at 3:30. I believe that our local should have been slotted in at the earliness that we phoned. I believed, as I sat in the Legislature and watched the Legislature the night that the Liberals and the NDP rightly took over the Legislature and only forced these hearings before you tried to rush it through, that you are denying us democracy.

I thank you for the opportunity to present.

The Chair: Thank you, gentlemen. We have just over four minutes for questions. We'll start with Mr Cooke.

Mr Cooke: Just a couple of comments. First of all, I obviously agree with your concerns about the process. While I'm sure the government members are getting tired of listening to people express their concerns about the process, it's essential. Even if we can't get changes on this process, I hope the experience that the members of this committee from the Conservative side are having will prevent this process from ever being used again in the next four and a half years. I try to remain optimistic; I hope you are too.

I know we're not dealing here with the health side, but John referred at the beginning to the effects on the ODB, the Ontario drug benefit program, and the copayments. I talked to some folks in the CAW back in Windsor, and they said that perhaps one of the impacts is going to be that all of the retirees who are currently on the Ontario drug benefit program will come back on to the benefits that they have from the place they were originally working at, because in those cases it's 35 cents a prescription. That's going to have a dramatic impact on the cost of benefits for the various companies across the province, which will then come back to the bargaining table, where the companies will probably try to take back some benefits from the rest of the workers. So while a lot of people in the province may think this is only going to impact seniors or retirees, it could in fact have a substantial impact on younger workers as well. Has there been a discussion about that at all within the CAW?

Mr Coleman: Within our retirees' chapter, yes. We have close to 200 retirees, and that is one of the issues they are raising. We didn't get into details here simply because this was on the general bill and not on the medical.

Mr Cooke: I appreciate your comments on the public sector pension plan. They've been made several times. It looks like it could be anywhere between $200 million and $400 million that will be pulled out of the pension plan, which I must say almost makes Conrad Black—and I believe that some of the regulations and law changes that

were put in place were a result of his pulling money out of private sector pension plans—look generous compared to what this government is attempting to do.

I also very much appreciated your comments about how the government tried to lecture the labour movement in Bill 7 about democratization. I hadn't really thought of that parallel. They can hardly give anyone else in the province a lecture on democratization when we've been going through the process we have on this bill and in the Legislature to just have adequate public hearings.

1640

I wondered, though, if there was anything else you wanted to add on the arbitration changes and ability to pay, because I think there still is a lot of misunderstanding. It seems like a reasonable thing to say an arbitrator has to consider ability to pay, but that's because I think there's a lot of people who don't understand the implications, if there's anything you might want to add. I understand you're private sector and not affected by this, but there are obviously many in the public sector, your brothers and sisters, who will be affected.

Mr Coleman: To be quite honest with you, David, I've gone over it and I don't fully understand this bill myself. We have other things to do as well within our local union and I haven't had the opportunity. We've gone by all the information we can, and based on that information, that's what we're taking to them. So I really can't answer; I don't know whether John can.

Mr Cunningham: It's obvious that the legislation on arbitration absolves all upper levels and that it's just a pass-down to the municipalities. As I said, they're going to have to bear the brunt because what it says is, if I set my budget, then there's no money. If I undercut and decide at this point that there is no money, then you're opening up contracts. That's exactly what you're doing. If you're at the negotiations time, you're setting an impossible precedent to negotiate. We recognize quite clearly, at least in the private sector—I felt on the pensions I must speak for the public sector because I believe this is just union-busting in its purest and most simple form, and it'll come around for us. It will come to us and that's why I comment on their behalf.

The Chair: On the government caucus side, Mr Tascona.

Mr Tascona: I thank you for your presentation. I realize that the CAW has been very active. You're the second-largest union in this province, from what I understand, in the private sector. Certainly you have an accountability to your union members. You're very responsible towards them and represent them as best you can in these tough times, as we are. We're accountable to the taxpayers.There's no doubt, let's be honest, we have a philosophical difference about how we should get the province's finances in order and what direction we should be taking.

Certainly dealing with such things as collective bargaining, you both have had experience in terms of negotiating agreements and also, it would appear, in dealing with closures and dealing with avoiding strikes in situations where you have to make the decision whether you want to call the members out or not. But certainly we're dealing with a situation where we're being faced with presentations in the public sector where they're saying ability to pay is not a factor; it's not something that should be considered in the public sector because if you award an increase in wages, it can be passed on to the public. That type of attitude doesn't sit well with me.

I would put it to you, if you're facing an employer and he said to you, "We can't pay you," I know exactly what your response would be. You'd say, "Well, why not? Let me see your financial books."

We're not trying to hide anything here. We do have the financial books to show the problems that we have in terms of a $1-million debt every hour that's increasing in charges and basically the debt that we have of $100 billion. How we can be fiscally responsible, how can we deal with the mess that we're in, if we're faced with a situation where we go to arbitration and arbitrators shouldn't have to look at ability to pay, yet in the private sector ability to pay is the key factor in wage disputes?

How can we deal with that and just say, "Well, we're going to let you do what you wish, Mr Arbitrator; you determine the services, you determine the wage increases," and we don't be responsible to the taxpayers, rather than making the local officials responsible, and the elected officials? After all, the whole theme here is being accountable to the taxpayers. It's like you're being accountable to your members and saying: "We did the best job we could. We tried to get the best that we could get for you in the situation."

Mr Cunningham: I'll draw the parallel that we just finished negotiations this spring and we were told that we needed rollbacks, that we needed lifetime caps on benefits, that we needed yearly caps on benefits, that there was no way to pay, that we must be competitive, that we were being beaten worldwide, yet we ship equipment worldwide for those competitors to beat the hell out of us.

In this situation, what you're going to do is shut down the factory and then say that we can't produce. If you shut down the factory, there's no product, so how are you going to make money to begin with? Those people spend taxes and they are part of the economy that you are dismantling.

Mr Tascona: We're not shutting down the government.

Mr Cunningham: You are not going to; you're going to allow the municipalities, after cutting all their grants, to shut down those employees.

Mr Tascona: But if you realize—

Mr Cunningham: If you want—

Mr Tascona: If you shut down the plant—

Mr Cunningham: Excuse me, but I think I had—if you want to start, the first thing would be not by selling off the LCBO, which earns $260 million a year.

Mr Tascona: No decision's been made on that.

Mr Cunningham: I realize, but you're threatening it.

The Chair: I'm sorry, Mr Tascona, but the government side's time is exhausted.

Mr Phillips: Just a comment and then a question. As one of the government members said earlier today, this bill is all about giving them the tools to implement the Common Sense Revolution. A key part of the Common Sense Revolution is they've got to find $14 million a day

to fund the tax break. That's what the tax break will cost: $14 million a day. This is all about how they're going to find the savings to find $14 million a day for their tax break.

We do have representatives from two of our most sophisticated unions, if I can say that, and largest, steel and CAW. You two understand collective bargaining. Here's the situation with the pension, as we understand it. The government has indicated it's going to be significantly downsizing its number of public servants; 13,000 I think is the number they've used. They know that when they do that, by law the pensioners are entitled to certain benefits. They wanted to save at least $250 million of the pensioners' money. They tried to do it through passing a regulation. Anybody who thinks regulations are democratically debated doesn't understand regulations. These things are passed by cabinet and then on a Saturday published in the Gazette, and you've got to sort of search through it.

They tried through regulation. The union took them to court. The court said: "You are acting illegally. You can't do that."

So what we've got now is this schedule Q, which is a bill designed to exempt the government from the Pension Benefits Act that the provincial government passed. The provincial government passed this bill many years ago to protect pensioners. Strangely enough, the first group to be exempted is going to be the Ontario government exempting itself from the Pension Benefits Act to take $250 million of entitlements from these pension benefiters who are going to be laid off.

My question really is this. You have experience in the private sector. What would be the bargaining climate in your organization if your employer attempted to do that with your union? By the way, the contract bargaining is on right now, as we speak, with the Ontario public sector.

Mr Coleman: Very, very hostile. We have a pension agreement, and under the collective agreement we're entitled to those benefits. We have a 30-and-out agreement. You could say that's very costly. If a person starts at 18 years old in our plant, he can retire with full benefits at 58.

Mr Cooke: Forty-eight.

Mr Coleman: Sorry: 48. Thanks, David. I'm thinking of myself; I'm retiring at 58.

If those things were taken away—and I don't fully understand a private sector pension; obviously I don't know all the ins and outs—it would be very hostile.

But can I take a moment? I'd like to respond to Mr Tascona. I'd like to respond to that and I didn't get a chance for that. Do you mind if I do that?

Mr Phillips: He does, but I don't.

Mr Coleman: At the plant that I work at, Budd Canada, they have productivity problems too, and they're being squeezed by what we call the OEMs to reduce their prices, and they cannot pass costs now on to them. So as a private sector we have to look at ways of increasing productivity and improving efficiency. I don't know for the life of me why you can't do that with your unions. That's one.

The other thing I've got is, you're talking about deficit reduction. One of the largest pieces that you have to pay out, and I believe Kenny Lewenza of Local 444 mentioned this too, is you have $5 billion that you're going to give back to us, and I will benefit partially by that because I'm in the $60,000-a-year-plus range. I will partially benefit by that. But why the hell would you not pay that off of the debt, and at least that's $5 billion now that you will not have to pay interest on? Why aren't you looking at things like that?

Why didn't you look at some form of tax reform and closing some of the loopholes for some of the wealthier and the multinational corporations? I'm not talking small businesses; I'm talking these multinational corporations. You don't want to touch any of that, you don't even look at that, because to you it's a no-no. You can't do that because they'll threaten to leave the province.

1650

Mr Young: Many have.

Mr Coleman: No, no, I disagree. I disagree entirely.

The Vice-Chair: We're out of time now, sorry. Thanks very much.

Interjection: Do I still get my question?

The Vice-Chair: We're out of time.

Mr Gerretsen: You said it a lot better than I ever could. Thank you.

Interjections.

The Vice-Chair: Thanks very much. We appreciate that. And I agree that you could say it much better.

KITCHENER PUBLIC LIBRARY BOARD

The Vice-Chair: Our next presenters are the Kitchener Public Library. We have Peggy Walshe, chief executive officer. Thanks very much for coming to present here today. Can you just introduce yourselves, please.

Ms Peggy Walshe: I just came from the budget wars of city council, so this looks very familiar.

My name is Peggy Walshe. I'm CEO of the Kitchener Public Library. I'd like to introduce Mr Bruce MacNeil, the chairman of our board, who will do the presentation, and Mr Eric Bow. We also have two representatives of the Cambridge Public Library, who have just arrived. Our issues pertaining to governance of public libraries are representative of Kitchener Public Library, Waterloo Public Library and Cambridge Public Library. Some of you will have received the document. I wasn't sure how many people were attending. I apologize.

The Vice-Chair: We all have a copy distributed.

Ms Walshe: Mr MacNeil will present on our behalf.

Mr Bruce MacNeil: As Peggy mentioned, I'm here as chair of the Kitchener board and am presenting on behalf of members of the Waterloo and Cambridge public boards. We're talking about Bill 26, schedule M, section 210.4 of the act, which proposes the dissolution of the local boards. By definition, public library boards fall within this section of the bill.

At present, public libraries in Ontario are regulated by the Public Libraries Act, 1984. The creation of a board is subject to specific terms and conditions which emphasize representation from the community it serves, and that includes representation from both school boards, representatives from city council and community representa-

tives approved by city council. Public library boards are a little different from other boards and commissions governments have set up over the years. They're run by volunteers as part of the community and do not have independent financial control over library budgets.

The public libraries are, in our opinion, very effectively and economically managed. A public library's budget estimates must be submitted to council, which approves and amends the budget, which is then adopted by the library board. While authority for the expenditure of moneys voted by municipal councils rests with the public library board, boards adapt administrative, financial and planning policies consistent with those of the municipal council.

Public library activity in our region is really significant. For example, our library had over one million visits in 1995. Cambridge Public Library has had 500,000 for the same period. Cambridge has 55,000 current members of its library, while Kitchener has approximately 101,000.

Why is this significant? Given the diversities and sheer numbers of people using these facilities, public library boards ensure that issues relating to the selection of materials and intellectual freedom can be dealt with at arm's length from the pressures of the electoral process. Intellectual freedom is a fundamental principle of our society, and its protection from political wishes is essential.

As charitable organizations, public libraries, through the efforts of their boards, are also instrumental in fundraising. Were the public library to become a city department, we believe that few people would give freely of their money and time.

In 1995 alone, the Kitchener Public Library board members attended over 40 board, committee and special meetings, each of its nine members contributing between 80 and 120 volunteer hours. Through the efforts of the board members and the expertise that they have, the library has developed a 10,000-square-foot extension responsive to the community.

The board has also completed a new strategic plan which sets the direction of the library for the next three years. The development of this plan is one that took the largest part of the past year and involved each of the members of the board and also library representatives and others meeting with various community groups. Being detached from the political electoral process catalysed free and open discussions with the communities the library serves. That was something that was really special over the past year. We did meet with an awful lot of people and there was a lot of community involvement.

To summarize:

Library boards are unpaid.

Library boards are comprised of community representatives committed to public library service.

Library board members donate hundreds of hours of their time.

Libraries are subject to municipal funding, checks and balances.

Library boards protect intellectual freedom and ensure balanced, community-responsive materials selection.

Library boards foster fund-raising and advocacy.

It's important to note that some Progressive Conservative MPPs, like Gerry Martiniuk of Cambridge, do not support the dissolution of library boards.

Mr Gerretsen: That's interesting.

Mr Cooke: He's got to vote against the bill, then.

Mr MacNeil: In a letter to the Ministry of Municipal Affairs parliamentary assistant, Ernie Hardeman, Mr Martiniuk states: "As you know, the local library boards are a no-cost item as they are staffed by volunteers and in addition, the library budgets are established and controlled by the local council. I believe it is important that these independent no-cost boards are continued to preserve our library service."

To quote my colleague Mr Horton, chairman of the Cambridge Public Library board, "We survived the Great Depression without having to eliminate public library boards; surely we can also deal with the problems ahead of us without setting in motion the mechanism for their demise."

The Vice-Chair: Thank you very much for your presentation. I apologize for any interruptions while you were speaking. Between the parties we have at this time about seven minutes each, and we start with the government party.

Mr Young: With regard to accountability, and what we're trying to do is let local municipalities have a little more accountability, or hopefully a lot more accountability, to the voters and the taxpayers, we've seen in Burlington a few weeks ago where the father of Leslie Mahaffy begged them to take a ghoulish and inaccurate book off the shelves about his daughter's torture and murder, and they turned him down. To me, that was the epitome of not being responsive to the community. There were even local councillors making presentations to the library board, and they still turned them down.

I have a lot of faith in local officials in my town—I live in Oakville—that they will be accountable to the public. I don't think they will disband the library boards. I think there will be changes.

1700

I wanted to ask you, with regard to change, as libraries become more a source of information in society—I go to the library now and I'm a big user. You can get books but there's a toy-lending library, there are tapes, there are videotapes, there are compact discs. They're even offering access to the Internet now. What kinds of core services do you see us protecting so that they're universally available regardless of income, regardless of your financial status, and what kinds do you think we might end up charging for?

Ms Walshe: I know where this is going and where it's coming from. It's the other section of the bill. I attended the Ontario Library Association and voted against some of the concerns of my fellow members, partially because there was a discussion about the idea of core services pertaining only to things like prints and perhaps not other things.

Personally, I believe information lives in whatever environment it lives in, be it on line, be it the Internet, be it CD-ROM or whatever. The way people use it and how they access it is more important, and therefore I don't

feel that charging for one material versus the other is very productive. I think, however, that you're right, that there is a whole issue of how do you protect what is core and what is important? Certainly, in our community here we have differing opinions on that, and things that we're wrestling with have to do with what is a fee-based service, as an example; the ability to pay, for instance, the business community in providing on-line refereed information—

Mr Young: We have that in my library, yes.

Ms Walshe: We're setting one up. Access to more remote sources that are not immediately available on site might be a condition of things that are not core or "ability to pay," because we have to access them remotely. However, there is the discussion of whether core includes membership fees or not, and certainly in this region we don't have solid agreement on that approach.

Mr Young: We hear a lot of fearmongering that children won't be able to get books, which I think is a source of stress and it's unnecessary. Would you agree that the issue is that people have access to information, that it's less important how we finance it?

Ms Walshe: Of course, that's my profession. Access to information is pretty important. I think some people have a greater ability to pay than others and I'm certainly one of those individuals who doesn't believe in dinging kids. Certainly, having come from budget discussions this morning, I know at the municipality there is an interest in charging all kinds of things, and unfortunately children are one of those groups. We of course have not discussed the issue of user fees. We can't be taken singly in the consideration of what is core and what you charge user fees for. I think you look collectively at the society, and if children are getting dinged a whole lot for a whole bunch of things, then maybe we as a society have a lot of questions to ask.

Mr Young: I agree and I don't think that's going to happen.

Ms Walshe: After being at the meeting I was at this morning, I would question that.

Mr Martiniuk: Peggy, I wonder if you'd just elaborate a little bit on the arrangement with CODA, the Community Opportunities Development Association, that Minister Tsubouchi is aware of and our government is aware of. It's a major initiative and it's quite innovative and I'm sure that it could be a model that could be used throughout the province. I wonder, in light of our discussions, if you could elaborate on that initiative with KPL.

Ms Walshe: With the fund-raising foundation?

Mr Martiniuk: Yes.

Ms Walshe: Actually, it's an excellent question; it segues very nicely. I came from a federal government environment where cost recovery was important, so I came in with a different kind of mindset than a lot of individuals in my business.

However, one thing that became apparent prior to my time was the need to fund-raise, and what we did in that regard was to create a foundation. There was an individual foundation, that is, on the side of the Kitchener library, and its purpose is basically to raise money in order to offset the cost of loss of money, say, through other sources. That's how we started. We run the Kitchener Public Library government book store and that's one initiative we're trying to make available.

We now have got into an arrangement with CODA. It's a superb relationship, as I see it. There was an interest in setting up a coffee shop as part of our services, with the new extension, and we went to tender. The best proposal that came forward was from CODA. We saw it as an absolutely wonderful opportunity to help get people back into the workforce through a training environment, and everything was on an equal footing with others. We're helping these individuals, we're getting a little bit of funding from the profits of the coffee shop, and we're providing a service to our public. It is working out very well.

We're looking at other kinds of initiatives not unlike that sort of thing to help us raise money, and again, the money raised through that will go to the foundation for library services. But we're very new at this and we're one of the only libraries doing this.

Mr Gerretsen: Just so I'm clear, what percentage of your total library budget did you raise by fund-raising?

Ms Walshe: Absolutely minimal.

Mr Gerretsen: Like what, 1%?

Ms Walshe: The coffee shop initiative just started in September, so we've perhaps raised a couple of thousand dollars.

Mr Gerretsen: So we're talking about something very small.

Ms Walshe: Very small. We do get donations from people passing on, bequests etc, but these are not great gobs of money, no.

Mr Gerretsen: The suggestion seems to be that somehow we can get corporations to do a lot of this fund-raising. I think there's a total lack of understanding. There's already an awful lot of fund-raising going on in just about every community. Having been involved in and chaired a number of fund-raising efforts in my own community, I think the fund-raising side is almost stretched beyond imagination, and to suggest that we should fund-raise for core services, if they're regarded as core services, is simply not realistic.

Ms Walshe: I would agree in the sense that having promoted a foundation, actually having set one up, and having spoken to a number of organizations in this community alone who are interested in setting up foundations—someone put it very bluntly to me. They said, "You realize, Peggy, that public libraries are up against the disease and kids' foundations." So we will be challenged, no doubt, and there are a lot of foundations and charitable things going on now.

However, what I think we believe as a board is that our city councils have a fundamental responsibility to fund library services at least in some basic way, simply because the tax base is such that it does so; that is, we have so much money per capita, per household, that goes to this service so that a household should feel free to come to a library.

Mr Gerretsen: The real fear, of course, is that municipalities have been asking for these powers for the last 20 or 25 years and this is finally an opportunity that's been opened up to them because of the lack of

financing coming through from the province, and there are some municipalities that will just do away with library boards immediately. There's no question about that in my mind.

Ms Walshe: I would be concerned that perhaps what's happened in the omnibus is that the idea of boards being eliminated is addressing concerns about other kinds of boards, which may be holding up cost-cutting or policy issues or that these are paid members of boards etc. We're dealing with a lot of money, and if indeed Mr Harris's agenda is to save money, perhaps look where the money is. In our case, our boards don't get anything.

Mr Phillips: It's very clear to us, and I think even the government would acknowledge, that it has negotiated with AMO, the Association of Municipalities of Ontario. They've dramatically cut the grants, but they said, "We'll give you all these other powers." Even AMO's brief said:

"We understand that the government is considering regulations.... The purpose of this legislation is to provide greater autonomy to municipal governments, not less. Regulations restricting our capacity to manage will counter that intention. The example of library boards is a good one. An exemption for library boards would be totally unacceptable and would seriously undermine the intent of this bill."

In other words, they are saying to the government: "You promised you would eliminate library boards. You've got to live up to that commitment." My question to you is, and I'm sure you've talked to other library boards around the province, have you had any indication at all from the government that it is considering backing off on the commitment it seems to have made to AMO, and to exempt library boards from that?

Ms Walshe: We know that the ministry that's representing libraries is negotiating on behalf of public libraries—and there is a whole bunch of us—to be exempt from the condition in the bill. I think it's perceived maybe as a temporary measure. However, I think the reason library boards are negotiating so hard is that we have a fundamental principle: "If it ain't broke, why fix it?" We've already taken provincial cuts, in our case $95,000 this year, $95,000 next year, then I go to council and I'm lined up for some more cuts.

I feel that at the board we need to have some decision-making on how we are going to realize this, and it isn't done through the electoral process.

1710

Mr Phillips: I understand that. I think the problem you run into is that this was a piece of negotiation between the government and AMO, and you were one of the bargaining chips.

Ms Walshe: We weren't consulted.

Mr Phillips: It's unfortunate. Frankly, I find it unfortunate that we're dealing with an item this significant as probably one of a hundred equally—with all due respect to library boards, as important as you are, there are another 99 equally important issues. Originally we were all trying to deal with this in two weeks from start to finish. Now this will be law on January 29, and according to AMO, they would find it unacceptable if the government backed off on a promise they made, so unfortunately I find the library boards are caught in the trap.

Someone over here mentioned scaremongering, that there's scaremongering going on. Well, I think it's unfair to accuse Mel Lastman of scaremongering. I just think it's beneath the Legislature's dignity to accuse the mayor of a major community of scaremongering. I will certainly ensure that he hears about this, that he's being accused of scaremongering. But he's indicated that certainly, because he's faced with a financial problem, he is going to put fees on library services. He's indicated that we shouldn't worry too much because he thinks he can find enough corporate sponsors around to ensure that—he calls them "underprivileged children"—

The Vice-Chair: We are out of time. Next to the opposition.

Ms Walshe: I wish I were in North York, sir.

The Vice-Chair: Mr Cooke, it's your turn, unless you want Mr Phillips to continue.

Mr Cooke: Oh, I think Gerry's made his point. The last time I gave him time he raised the social contract.

Mr Sampson: So let's give him a few more minutes.

Mr Cooke: I just have a couple of questions. One would be back on what I've asked other representatives who have come to us from the library boards. I've just been thinking, as you've been talking, that from my time in the Ministry of Education I became familiar with more of the programs that were offered, especially to younger kids, in our library system.

I've just been trying to think—if some of those programs have to be cut because of lack of resources, then we may in fact be shifting some of those costs over to our schools; or if the schools, because of their cuts, can't pick any of it up, then we're going to have more difficulties. We will then have to offer remedial programs later on because kids haven't had ample opportunity to develop some early literacy skills, which quite frankly we don't do a good enough job of now to be cutting back in that area at all. I don't know.

I don't want you to have to take sides here. I guess that would be referred to as scaremongering. But maybe you could just comment.

Ms Walshe: Certainly, I think it's a very real concern. We do know that the heads of our school boards are confronted with cuts, and one thing that was discussed was the delivery of library service. Of course, needless to say, that puts some fear in us because, again, public libraries have never served public library curriculum.

I have been approached by a number of people in my community, and these are parents, who have said: "If, for instance, they cut school library service, I'm not going to let my kids walk down to the public library on their own. I can't do that." Equally, we say: "We get a thousand of kids a week. We have so many kids. We couldn't handle it." Certainly, we couldn't in terms of cost.

We've talked with the heads of our school boards about this, our real concern: How are we going to do this? Regardless of political wishes or anything else, the main thing is to make sure our kids are literate. There are studies that show that when they learn and they read earlier, they do much better in society and contribute better to society. I have a fundamental concern, not only for our community but for my own child, that if these

things aren't available, then what problems will we deal with later on? So again, it is a concern.

Mr Cooke: I was actually amazed when I went into one of the branch libraries in my riding—I was a sceptic—to see the library just filled with kids when they have the reading programs in the summer. It's not a luxury. I think it actually saves us money in the long run by exposing very young kids to being read to at a young age.

Just on the fund-raising for a second—and I don't know whether this applies to libraries—I've been told, certainly in other sectors, the health care sector in particular, that when you go out and try to raise money for a foundation or whatever, you're not very often going to get people, either when they pass away, in their wills, or corporations or anyone else, who are going to donate for operating expenses. It's got to be for capital.

Ms Walshe: Absolutely.

Mr Cooke: So this isn't really going to be an answer for some of the day-to-day expenses of libraries.

Ms Walshe: I would agree. Indeed, in some of the research we've been doing in setting up our foundation we found that people are more willing to donate not only to, say, capital projects like buildings but usually one-shot deals. They're going to look at a project that attracts them. If they're interested in technology, they may be interested in donating a PC or whatever. That indeed is a fundamental problem for libraries.

Just to keep us going on a normal basis we need essential funding; to do anything new, perhaps we can look at fund-raising initiatives. Indeed, our foundation is looking at just that. But the items that we've got listed are things to move us along in response to the demand for technology, for basic new collections in international collections which we don't have, a PC centre. Our users are saying, "We need to have this stuff in the library because we don't have it." They need access to a community network. They need everything. Some of them are defined as core. I would; someone else would say it isn't core. We all differ on that. But you're quite right that we're looking at projects.

Mr Cooke: Just one final comment. I think you've brought home to me that we need to do some work on the cumulative impact on kids. We can talk about library services here, we can talk about cuts in other areas that are impacting on kids, but the cumulative impact on children is something that I think either a committee of the Legislature—or work needs to be done in the government, because it simply is overwhelming.

If I have a minute left, Mr Phillips can have it.

Mr Martiniuk: Mr Chairman, on a point of order: On January 5, 1996, I wrote to the Chairman of this committee, simply because I didn't know how to contact the subcommittee, requesting that the committee reconsider its decision to not let the Grand River Conservation Authority appear to make a presentation. I have not heard a result of that letter, so I have undertaken with the Grand River Conservation Authority to deposit with this committee its brief of January 9, 1996, which concludes:

"We strongly recommend that the proposed amendments to the Conservation Authorities Act be changed to provide a mechanism to allow the member municipalities to agree on a majority basis to services and levies other than flood control."

That's signed by the chairman. I'll be filing that with the clerk.

The Chair: Thanks very much, Mr Martiniuk.

Mr Phillips: I'd like to point out, also on a point of order, that I feel badly for the Grand River Conservation Authority and I also feel badly for the other 35 groups that wanted to be here today to present. In every community we go into, there's the same problem.

The Vice-Chair: That's not a point of order, Mr Phillips.

Mr Gerretsen: Neither was his.

The Vice-Chair: This committee is adjourned until 9 am tomorrow in Niagara Falls.

The committee adjourned at 1720.

EVIDENCE SUBCOMMITTEE
STANDING COMMITTEE ON GENERAL GOVERNMENT

Chair / Président: Maves, Bart (Niagara Falls PC)
Vice-Chair / Vice-Président: Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Flaherty, Jim (Durham Centre / -Centre PC)
Grandmaître, Bernard (Ottawa East / -Est L)
*Hardeman, Ernie (Oxford PC)
*Maves, Bart (Niagara Falls PC)
Pupatello, Sandra (Windsor-Sandwich L)
*Tascona, Joseph N. (Simcoe Centre / -Centre PC)
Wood, Len (Cochrane North / -Nord ND)
*Young, Terence H. (Halton Centre / -Centre PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:
Cooke, David S. (Windsor-Riverside ND) for Mr Wood
Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mrs Pupatello
Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître
Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Also taking part / Autre participants et participantes:
Agostino, Dominic (Hamilton East / -Est L)
Leadston, Gary L. (Kitchener-Wilmot PC)
Martiniuk, Gerry (Cambridge PC)
Wettlaufer, Wayne (Kitchener PC)

Clerk / Greffière: Mellor, Lynn

Staff / Personnel: Richmond, Jerry, research officer, Legislative Research Service

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Ed Lemont, chair, federal-provincial affairs committee
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Dave Fairfull, representative
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Ernie Ginsler, executive director, Social Planning Council of Kitchener-Waterloo
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